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MILITARY COMPENSATION 1934

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HEARING

BEFORE THE

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

OF THE

COMMITTEE ON ARMED SERVICES UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

JUNE 2, 1980

Printed for the use of the Committee on Armed Services

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MILITARY COMPENSATION

MONDAY, JUNE 2, 1980

U.S. SENATE,
SUBCOMMITTEE ON MANPOWER AND PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 3:14 p.m. in room 212, Russell Senate Office Building, Hon. Sam Nunn presiding.

Present: Senators Nunn, Stennis, Exon, Warner, Cohen, and Jepsen.

Staff present: George F. Travers, professional staff member; John C. Roberts, general counsel; Rhett B. Dawson, counsel; Charles J. Conneely, and Ronald F. Lehman, professional staff members; Ralph O. White, research assistant; and Mary A. Shields, clerical assistant.

Also present: Frank Krebs, assistant to Senator Cannon; Quentin Crommelin, assistant to Senator Byrd; Arnold Punaro, assistant to Senator Nunn; Charles Stevenson, assistant to Senator Culver; Greg Pallas, assistant to Senator Exon; Christopher Lehman, assistant to Senator Warner; Jim Dykstra, assistant to Senator Cohen; and Mike Donley, assistant to Senator Jepsen.

OPENING STATEMENT BY SENATOR SAM NUNN, CHAIRMAN

Senator NUNN. The subcommittee will come to order.

The Subcommittee on Manpower and Personnel meets today to review proposed changes in military compensation. We have had several votes since 2:15 and I anticipate we will have several more. This is the reason we are starting late, and I want to apologize to the witnesses who have been waiting.

Manpower costs represent $77 billion in the President's fiscal year 1981 budget request. In 1964, our manpower costs accounted for 48 percent of the defense budget. By 1978, the proportion of the budget devoted to manpower had increased to 59 percent.

We have recent statements by the President relating to manpower and, of course, this committee has been interested in trying to address the retention problem for some time.

Last Monday, aboard the aircraft carrier *Nimitz*, the President endorsed the provisions of the Warner-Nunn amendment as well as $200 million in legislative items included in the President's budget and a new proposal to provide dental benefits to military dependents under the CHAMPUS program. According to the press release from the Department of Defense:

> The President and Secretary Brown believe that this billion dollar program is a significant step in restoring the attractiveness of military service to young people in America and in providing equity for those members of our society who bear a disproportionate share of service and sacrifice.

Unfortunately, the President's budget request includes only $300 million to fund this $1 billion program and a few days later, the President urged the defeat of the congressional budget resolution, which included higher funds for military compensation, and would have included enough to fund the Warner-Nunn amendment.

The committee also has before it S. 2629, a bill introduced by Senator Armstrong which would prohibit any future pay caps for military personnel, and for fiscal year 1982 through fiscal year 1984 would provide a 3-percent-per-year increase in addition to cost-of-living adjustments for junior enlisted and officer grades, a 6-percent-per-year increase above cost-of-living adjustments for senior enlisted and officer grades, and a 33⅓-percent increase per year in enlisted flight crew pay, submarine pay, parachute pay, demolition pay, aircraft carrier flight deck pay, sea pay, and foreign duty pay.

Last Thursday, I received a letter from Senator Hollings, chairman of the Senate Budget Committee, urging that an amendment be added to the Defense authorization bill to provide for an 11.7-percent pay raise for military. Today, I received a letter from Senator Tower proposing an amendment to the authorization bill to prohibit any pay cap on military pay for fiscal year 1981.

Senator Bayh has also written to urge that S. 1130, to authorize legal assistance for military personnel and dependents be added to the authorization bill.

The administration has also submitted proposed changes to military retired pay. That proposal includes authority for the President to reallocate raises in active duty pay by grade and years of service. Senator Tower has proposed a similar amendment to the authorization bill which I agreed the subcommittee would review.

The first concurrent resolution on the budget will contain a so-called reconciliation provision requiring this committee to report savings in the fiscal year 1981 budget of $400 million and the Budget Committee assumes that those savings will result from a change in current law to provide a once-a-year cost-of-living increase in military retired pay. The administration has submitted a proposal to make this change.

I will insert my entire opening statement in the record in deference to the vote that is coming up.

[The prepared statement of Senator Nunn follows:]

PREPARED STATEMENT BY SENATOR SAM NUNN, CHAIRMAN, SUBCOMMITTEE ON MANPOWER AND PERSONNEL

The Subcommittee on Manpower and Personnel meets today to review proposed changes in military compensation.

Manpower costs represent $77 billion in the President's Fiscal Year 1981 budget request. In 1964, our manpower costs accounted for 48 percent of the Defense budget. By 1978, the proportion of the budget devoted to manpower had increased to 59 percent. If the manpower proportion had remained constant at the 48 percent level, then between 1970 and 1978, we would have had an additional $100 billion in today's dollars to spend on military investment and readiness. Instead, despite the large increases in manpower costs, the military faces severe problems in the recruiting and retention of sufficient numbers and quality of active duty and Reserve personnel.

In the Navy, we have seen a recent example of tying up a ship and other examples where ships are deployed with significant shortages of qualified people in critical skills.

For the Army, we have had testimony on the serious declines in readiness, because of recruiting shortfalls especially in U.S. based divisions scheduled for early

deployment in case of an emergency. Army recruiting policies continue to emphasize numbers in spite of the alarming revelations on quality problems.

We have heard testimony this year about continued problems of shortages in critical skills, including doctors, pilots, nuclear trained officers, and engineers.

As a result of recruiting, retention, and shortages in critical skills, manpower has become a real constraint keeping current military forces from being ready to perform currently assigned missions. Yet, we now recognize the need for expanded military missions in the Indian Ocean and for rapid deployment.

In recognition of these problems, there has been increased attention on the adequacy of military pay. Last December, Senator Stennis and I wrote to our Senate colleagues stating our conviction that military pay needs to be restructured with special emphasis on the needs of carrier personnel and that this issue would be a priority in this session of Congress.

Between 1964 and 1978, the average pay for a new recruit increased by 421 percent; the average basic pay for an E–5 increased by 152 percent. The ratio of the average pay for a military careerist to the average pay for a first termer has declined by 50 percent since 1964. The frontloading of first term military pay means that careerists have less to look forward to in additional income. A new recruit entering the service today based on the pay tables and allowances now in effect and without considering annual cost of living increases, can expect an average annual increase in pay of 7.7 percent a year during his first six years of service. During the next six years, he can expect an annual increase in compensation of 1.3 percent a year. Similarly, officers receive an annual increase of 13.7 percent per year for the first four years and only 1.8 percent a year for the next six years. Larger pay raises are given to military personnel during their initial obligation than during periods when they must decide whether or not to make the military a career and have growing financial obligations for home and family.

On February 22 of this year we held a hearing on the adequacy of military compensation with Defense and Service witnesses and shortly thereafter, the full Armed Services Committee endorsed the so-called Warner/Nunn amendment which was passed by the Senate by a vote of 87–1 on February 4. That amendment is still pending before the House. Subsequently, in testimony before this committee, administration witnesses opposed that amendment, particularly with regard to the variable housing allowance and subsistence allowance provisions.

Although markup in full committee on the Fiscal Year 1981 Department of Defense Authorization Bill has not been concluded, the full committee has approved a recommendation by the subcommittee to test a wide range of educational incentives for active duty and Reserve military service.

Last Monday, aboard the aircraft carrier NIMITZ, the President endorsed the provisions of the Warner/Nunn amendment, as well as $200 million in legislative items included in the President's budget and a new proposal to provide dental benefits to military dependents under the CHAMPUS program. According to the press release from the Department of Defense: "The President and Secretary Brown believe that this billion dollar program is a significant step in restoring the attractiveness of military service to young people in America and in providing equity for those members of our society who bear a disproportionate share of service and sacrifice."

Unfortunately, the President's budget request includes only $300 million to fund this billion dollar program and a few days later, the President urged the defeat of the congressional budget resolution, which included higher funds for military compensation.

The committee also has before it S. 2629, a bill introduced by Senator Armstrong which would prohibit any future pay caps for military personnel, and for Fiscal Year 1982 through Fiscal Year 1984 would provide a 3 percent per year increase in addition to cost of living adjustments for junior enlisted and officer grades, a 6 percent per year increase above cost of living adjustments for senior enlisted and officer grades, and a 33⅓ percent increase per year in enlisted flight crew pay, submarine pay, parachute pay, demolition pay, aircraft carrier flight deck pay, sea pay, and foreign duty pay.

Last Thursday, I received a letter from Senator Hollings, Chairman of the Senate Budget Committee, urging that an amendment be added to the Defense Authorization Bill to provide for an 11.7 percent pay raise for military. Today, I received a letter from Senator Tower proposing an amendment to the Authorization Bill to prohibit any pay cap on military pay for Fiscal Year 1981.

Senator Bayh has also written to urge that S. 1130, to authorize legal assistance for military personnel and dependents be added to the Authorization Bill.

The administration has also submitted proposed changes to military retired pay. That proposal includes authority for the President to reallocate raises in active duty pay by grade and years of service. Senator Tower has proposed a similar amendment to the Authorization Bill which I agreed the subcommittee would review.

The First Concurrent Resolution on the Budget will contain a so-called reconciliation provision requiring this committee to report savings in the Fiscal Year 1981 budget of $400 million and the Budget Committee assumes that those savings will result from a change in current law to provide once a year cost of living increases in military retired pay. The administration has submitted a proposal to make this change.

A military pay raise is not a cure-all for the problems of the All-Volunteer Force. It should be evident from the substantial increases already spent on manpower that there is no such cure-all, and continuing the pattern of diverting money from military investments to military personnel will not solve the problems in the volunteer force. Nor is a return to the draft a cure-all for the retention and readiness problems that we now face. I have said before that there are no simple answers and that we cannot allow these problems to continue without a major effort to correct them. We have taken some steps in past years. We have already made recommendations this year which have been approved by the Senate in the Warner/Nunn amendment, on doctor's pay, and on survivor benefits. Other changes are included in the Authorization Bill and in other recently reported personnel bills. Now, we have several additional proposals.

Our witness this afternoon is the Honorable Robert B. Pirie, Jr., Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. I have asked Mr. Pirie to present a summary of the recruiting and retention problems that now exist and the administration's recommendations on changes in military compensation.

Senator NUNN. We have 5 or 6 minutes before the five bells. Chairman Stennis is here. Do you have a statement you would like to make?

Chairman STENNIS. Thank you.

I am here because of my interest in the subject matter, Mr. Chairman. I want to hear the witnesses and your questions, too. I hope to come back when you come back.

Senator NUNN. Mr. Pirie, why don't you go ahead and start with your opening statement. We may have to interrupt you before you finish to go vote, but we will be back.

STATEMENT OF ROBERT B. PIRIE, JR., ASSISTANT SECRETARY OF DEFENSE (MANPOWER, RESERVE AFFAIRS, AND LOGISTICS); ACCOMPANIED BY MAJ. GEN. R. DEAN TICE, USA

Mr. PIRIE. Thank you, Mr. Chairman.

I am pleased to appear before the subcommittee today to discuss the military compensation initiatives recently announced by the President and to answer any questions you may have regarding that proposal.

The President's fair benefits program represents the culmination of an extended process in which the President, the Secretary of Defense, the Joint Chiefs of Staff, and several key congressional actors, including yourself, Mr. Chairman, Senator Warner, and other members of the committee, have played active and constructive roles. The need for some form of action was flagged last year at the President's spring review of the fiscal year 1981 budget. Work has since continued, resulting a few weeks ago in the President's decision to proceed with, or to reemphasize, a group of pay and benefit proposals that have emerged as most pressing in need.

This group is composed of three parts. First, it endorses, with minor changes, all of the provisions of the Nunn-Warner amendment. Second, it includes legislation to provide for a dental care program for dependents of active duty personnel. Third, it recommends nine other bills aimed at correcting inequities in the compensation system and increasing economic incentives to enter and remain in military service.

Members of this committee are, I know, familiar with the provisions of the Nunn-Warner amendment so I won't go into detail on them. I would like only to emphasize that we support the main features of Nunn-Warner and consider them central to attracting and retaining adequate numbers of personnel. The only changes the administration recommends in Nunn-Warner are to make the effective date prospective rather than retroactive and to make some technical changes to the language of the station housing allowance provision.

However, passage of the Nunn-Warner amendment does not eliminate the need to take other compensation initiatives. We must offer a level of compensation, to include benefits and reimbursement items, that maintains morale and enables us to be competitive. At present, there are real weaknesses—both inequities and inefficiencies—in our compensation system and these take their toll. Enlistment and reenlistment bonus levels that were adequate at the time they were set are now losing their attractiveness in the face of double digit inflation.

A military health care system that at one time was superior to those found in much of the civilian sector now suffers from many deficiencies. Travel, food and housing allowances are plainly inadequate to achieve their stated ends. While we applaud and support the action Congress is taking through the Nunn-Warner amendment, more must be done to get the situation right. The fair benefits program announced by the President corrects indefensible inequities, provides fairer reimbursement for legitimate expenses resulting from duty requirements, and provides additional economic incentives for personnel in certain critical skill areas.

Specifically, I urge passage of the following 10 legislative items, all of which have been submitted to Congress or will be this week.

One, extend the payment of a family separation allowance to enlisted personnel in grades E–1 to E–4 with 4 years or less service. This allowance in the amount of $30 per month, currently available to all military personnel except these junior enlisted members, is authorized when a military member is separated from his dependents for more than 30 days because of duty requirements. We believe in the interest of equity that this allowance should be extended to those members least able to meet the incidental expenses incurred because of family separation.

Two, increase the reimbursement paid to military personnel when a change in duty assignment requires them to move a mobile home or trailer. The law currently limits the reimbursement to 74 cents a mile. In February 1979, when we originally submitted this legislation to Congress, we estimated that on average the expenses incurred in moving mobile homes were $415 greater than the amount reimbursed. We believe it is unfair that military personnel should have to bear this expense. The proposed legislation would permit payment of a dislocation allowance and remove the current 74-cents limitation. It would

provide that the reimbursement may not exceed the cost of transporting the baggage and household effects of the member or dependents.

Three, authorize reimbursement of Navy personnel for expenses of quarters obtained when berthing facilities aboard ship are made uninhabitable because of repairs or other conditions. When ships are undergoing overhaul or repair in Government or commercial shipyards, very often berthing facilities aboard ship become uninhabitable for extensive periods because of the nature of repairs or renovations, and it becomes necessary to berth the crew elsewhere. Situations arise where unmarried members, and married members at locations at which they cannot reside with their dependents, have to find lodging on their own initiative and at their own expense. This legislation would provide reimbursement for expenses incurred in obtaining quarters whenever repairs or other conditions make the shipboard quarters uninhabitable for a member on sea duty.

It would exclude from entitlement any member who is receiving basic allowance for quarters on account of dependents and who is deprived of quarters aboard ship at a location at which the member can reside with those dependents.

Senator NUNN. We recommended that in subcommittee markup and it has been approved by the full committee.

Mr. PIRIE. That is encouraging.

The fourth measure is to extend to military personnel above grade E–6 who are without dependents the option to receive basic allowance of quarters in lieu of assignment to military quarters. Currently, only personnel in grades O–4 and above have that option. We believe that it is unjustified to compel senior noncommissioned officers, warrant officers, and commissioned officers to reside in Government quarters. We are talking about skilled specialists and technicians, who are often supervisors, and we believe we should recognize their status by allowing them to exercise their own choice on where and in what manner they live.

Five, provide the Secretary of Defense with discretionary authority to offer a special continuation pay of up to 4 months' basic pay to certain rated commissioned and warrant officer pilots who extend on active duty beyond their initial periods of obligated service. We believe that this contingency authority, in addition to the 25 percent increase in aviation career incentive pay currently in the Nunn-Warner amendment, is necessary to meet the serious retention problems that are currently being experienced by the Air Force and the Navy.

Continuation pay authority would offer a strong incentive at key decision points, and would increase our flexibility to respond to changes in the economic environment.

Six, increase the maximum rate of per diem allowance for military members from $35 to $50 and increase from $50 to $75 the maximum reimbursement allowed when travel expenses exceed the maximum rate of per diem allowance. The current maximum rates were established in June 1976. As a result of inflation they are now simply inadequate to compensate for the increased costs of meals and lodging incident to official travel. The maximums in this legislation parallel those contained to a General Services Administration legislative proposal applicable to Government civilians.

Seven, increase the maximum enlistment bonus amount from $3,000 to $5,000 and make permanent the authority to award the bonus. The increase in the maximum bonus amount is needed to offset the gradual erosion in the incentive value of the bonus which is being caused by persistent economic inflation.

Eight, increase the maximum reenlistment bonus amount from $15,000 to $20,000 and make permanent the authority to award the bonus. As with the increase in the enlistment bonus maximum, this increase is made necessary to counter the effects of inflation. Another requirement in the reenlistment bonus area, the authority to pay bonuses beyond 10 years of service, is covered under the Nunn-Warner amendment.

Nine, authorize payment of a $600 bonus to individuals who reenlist in the Individual Ready Reserve for 3 years.

Ten, expand the civilian health and medical program of the uniformed services (CHAMPUS) to provide dental care for dependents of active duty personnel and to make certain other improvements. Present dental care programs for dependents in CONUS provide only emergency care or routine care in areas where the private sector care is unavailable. The proposed program will have a deductible provision ranging from $30 per year for E–1 through E–4, to $200 per year for flag and general officers.

There is also a co-payment provision for different kinds of care. For example, the Government will pay 25 percent for orthodontic work while the individual will pay 75 percent. The other CHAMPUS steps we wish to take provide for assistance to members with handicapped dependents, and for a minor extension of well baby care. We believe that the currently authorized $350 monthly contribution to the servicemember with a handicapped dependent is no longer adequate. We are recommending that the coverage be extended up to $1,000 per month. As an adjunct of the well baby care program, we are recommending that the law be changed to permit immunizations to children under 2 years of age. Currently, restrictions prevent providing immunizations to children less than 2 years of age.

In summary, the administration and Congress share a common concern that we recruit, retain, and fairly compensate capable men and women whose service is essential to our national defense. In that regard, I believe that both the Nation's interest and the interest of the men and women in uniform are best served through a cooperative effort on the part of the administration and Congress. I would urge, therefore, that you favorably consider, in addition to the Nunn-Warner amendment, the remainder of the fair benefits program which I have presented, on behalf of the President, to you today.

This concludes my remarks and I would again like to express my appreciation for the opportunity to appear before this subcommittee to present the President's program for much needed improvements in military benefits. I will be pleased to answer any questions that you might have.

Senator NUNN. The subcommittee will recess for a few minutes while the Members vote.

[A brief recess was taken.]

Senator NUNN. Mr. Secretary, you submitted at our request a March Enlistment Summary which shows that in the Army, you are re-

cruiting 99 percent of your objective; in the Marine Corps, 89 percent; in the Air Force, 101 percent; and in the Navy, 101 percent. I assume these are figures for the first two quarters of these enlisted accessions for all forces. Can you characterize for us the current reenlistment problems?

[A copy of the March Enlistment Summary, submitted for the record follows:]

MARCH ENLISTMENT SUMMARY[1]

[Year-to-date]

Service	Fiscal year 1980 through March 1980			Fiscal year 1979 through March 1979		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Enlisted accessions—All sources:						
Army	81,200	80,500	99	58,300	53,500	92
Navy	44,700	45,100	101	42,100	37,800	90
Marine Corps	19,000	17,000	89	20,100	16,900	84
Air Force	35,300	35,900	101	31,600	30,800	97
DOD total	180,200	178,500	99	152,200	139,000	91
Nonprior service accessions—Male:						
Army	65,700	62,600	95	44,400	41,100	93
Navy	35,300	35,000	99	34,400	30,400	88
Marine Corps	17,100	14,800	87	17,900	15,300	85
Air Force	26,300	26,800	102	24,000	23,000	96
DOD total	144,300	139,200	96	120,700	109,800	91
Nonprior service accessions—Female:						
Army	9,320	10,490	113	8,510	5,980	70
Navy	5,680	5,820	102	4,080	4,110	101
Marine Corps	1,080	1,010	93	1,100	980	90
Air Force	7,470	7,460	99+	7,270	7,240	99+
DOD total	23,550	24,780	105	20,960	18,300	87
Prior service accessions:						
Army	6,140	7,470	122	5,380	6,380	119
Navy	3,750	4,320	115	3,600	3,280	91
Marine Corps	860	1,130	132	1,090	660	61
Air Force	1,610	1,610	100	510	510	100
DOD total	12,360	14,530	118	10,570	10,830	102

[1] Numbers in all tables may not add due to rounding.

NONPRIOR SERVICE ACCESSIONS—MALE AND FEMALE

Service	Fiscal year 1980 through March 1980		Fiscal year 1979 through March 1979	
	Number	Percent	Number	Percent
High school diploma graduates:				
Army	31,200	43	28,600	61
Navy	26,200	64	24,000	69
Marine Corps	10,300	65	10,000	61
Air Force	27,100	79	24,400	80
DOD total	94,800	58	86,800	68
Test score category IV's:[1]				
Army	5,500	8	3,880	8
Navy	900	2	820	2
Marine Corps	470	3	500	3
Air Force	30	(2)	50	(2)
DOD total	6,900	4	5,240	4
Blacks:				
Army	21,160	29	16,810	36
Navy	5,260	13	4,750	14
Marine Corps	3,360	21	4,180	26
Air Force	5,470	16	5,040	17
DOD total	35,240	21	30,780	24

	Nonprior service—Male and females—					
	As of Mar. 31, 1980			As of Mar. 31, 1979		
	Total number in DEP	April–September DEP	Percent of April–September goal in DEP[3]	Total number in DEP	April–September DEP	Percent of April–September accessions
Delayed entry program:						
Army	37,300	34,600	38	37,200	30,000	37
Navy	27,000	21,100	39	20,200	18,400	41
Marine Corps	14,900	13,900	50	14,000	13,000	54
Air Force	19,500	18,500	47	16,100	16,100	44
DOD total	98,700	88,100	42	87,600	77,400	41

[1] All DOD reported aptitude test scores are currently subject to uncertainty. The percentages of enlistees with reported test scores in category IV may actually be higher than those shown if preliminary findings from studies now in progress prove valid.
[2] Less than ½ of 1 percent.
[3] Obtained using President's budget goals.

MARCH REENLISTMENT SUMMARY[1]

[Year-to-date]

Service	Fiscal year 1980 through March 1980			Fiscal year 1979 through March 1979			Fiscal year 1979 percent
	Eligibles	Reenlistments	Percent	Eligibles	Reenlistments	Percent	
Total:							
Army	67,400	44,000	65.4	67,200	38,800	57.8	56.2
Navy	40,700	20,200	49.8	29,200	15,200	52.1	47.3
Marine Corps	17,200	6,400	37.2	15,100	5,400	34.1	33.5
Air Force	42,700	25,800	60.3	35,000	21,900	62.7	60.4
DOD, total	168,000	96,500	57.4	147,200	81,300	55.3	52.9
1st term:							
Army	25,200	13,800	54.7	28,900	12,400	42.9	43.0
Navy	25,100	9,500	38.1	15,900	6,900	43.1	37.5
Marine Corps	9,400	2,300	24.4	8,300	1,700	20.1	19.5
Air Force	28,500	7,700	37.7	15,500	5,900	38.3	38.0
DOD total	88,100	33,400	41.6	68,700	26,900	39.1	37.4
2d term:[2]							
Navy	9,400	5,100	53.6	8,300	3,900	46.2	45.3
Air Force	7,700	4,800	62.6	6,100	3,700	61.3	60.1
Career:							
Army	42,200	30,300	71.7	38,300	26,400	69.0	66.4
Navy	[3] 15,600	[3] 10,700	[3] 68.6	[3] 13,300	[3] 8,400	[3] 63.0	[3] 62.2
Marine Corps	7,800	4,100	52.6	7,500	3,700	49.7	51.9
Air Force	[3] 22,200	[3] 18,000	[3] 81.1	[3] 19,400	[3] 16,000	[3] 82.2	[3] 81.5
DOD, total	87,800	63,100	71.9	78,500	54,400	69.4	68.2

[1] Numbers in all tables may not add due to rounding.
[2] Data available for Navy and Air Force only.
[3] Includes 2d term.

Mr. PIRIE. The current reenlistment problems, Mr. Chairman, and I will submit detailed information for the record, are the second and third term reenlistments, which we would prefer to see in the 80 plus percent range, which are now in some cases below 70 percent. We really need to retain these skilled people. It is disturbing to see that we have had over the past few years a declining trend. I will submit a breakdown by service and by year.

[The information follows:]

DOD REENLISTMENT RATES—ACTIVE DUTY ENLISTED PERSONNEL[1]

	1975	1976	1977	1978	1979	1980 (through April)
1st term:						
Army	38.6	21.4	33.1	35.6	43.0	55.9
Navy	39.9	35.2	36.9	40.3	37.5	38.8
Marine Corps	20.4	26.4	29.4	29.1	19.5	24.0
Air Force	40.1	37.3	39.0	41.1	38.0	38.0
DOD	36.8	29.8	35.0	37.1	37.4	42.2
2d term:[2]						
Navy	59.1	56.6	53.4	47.3	45.3	53.5
Air Force	75.4	67.4	68.9	64.7	60.1	63.4
Career:						
Army	75.4	70.8	69.5	68.6	66.4	72.2
Navy[3]	80.5	74.8	68.1	63.5	62.2	68.7
Marine Corps	73.1	77.6	71.6	69.1	51.9	51.2
Air Force[3]	89.6	81.9	86.2	82.2	81.5	81.2
DOD	81.5	76.3	74.8	71.5	68.2	72.1
Total:						
Army	53.1	42.9	51.8	53.9	56.2	66.2
Navy	58.2	48.7	49.4	50.5	47.3	50.5
Marine Corps	33.9	41.4	42.8	42.5	33.5	36.4
Air Force	68.1	61.9	65.9	66.2	60.4	60.7
DOD	56.6	50.5	54.5	55.1	52.9	56.0

[1] Excludes inductee reenlistments.
[2] Data available for Navy and Air Force only.
[3] Rates include 2d term.

Senator NUNN. General characterizations have been made to the retention problem in the Navy and the recruiting problem in the Army. Do you agree with these characterizations?

Mr. PIRIE. There are recruiting and retention problems in all the services. None of the services has a retention problem which it is satisfied with. The Navy's retention problem is the most serious of all three services in my judgment. The Army's recruiting problem in fiscal 1979 was the most severe. This year, as you can see by these numbers and the numbers for April are even more encouraging, the Army seems to be recruiting with a fair degree of success.

One thing about the Army recruiting which does give us some concern is the percentage of high school graduates.

Senator NUNN. How much of your additional recruiting in the Army is brought about by increased recruiting successes, as opposed to the lowering of quality standards?

Mr. PIRIE. The lowering of quality standards as you know has taken effect with respect to accepting women who meet the same quality standards of men rather than insisting that they all be high school graduates and mental categories 1 and 3 and accepting——

Senator NUNN. There are also a lot less high school graduates.

Mr. PIRIE. Yes.

Senator NUNN. Thirty-eight percent is the last figure I saw.

Mr. PIRIE. It is running a little bit better in April. It was 43 percent in fiscal 1980 through March 1980. That is not as good as we would like to see it.

Senator NUNN. What is your goal? What is the Army's high school graduate recruiting goal?

Mr. PIRIE. I don't think the Army has articulated a high school graduate goal.

General TICE. They articulate in the thousands. It is unrelated to a percentage. It would come to about 62 or 63 percent.

Senator NUNN. The Army high school graduate figure is approximately 40 percent?

General TICE. Forty-three percent through March.

Senator NUNN. For the first quarter, through March?

General TICE. Yes, sir. It is actually two quarters, from October through March 1980.

Senator NUNN. All the information we have had before this committee from the services has been that there is a direct correlation between non-high-school graduates and discipline. Is that being refuted or is that testimony still correct?

Mr. PIRIE. There is a direct correlation between high school graduates and success in the initial phases of military training. We lose twice as many non-high-school graduates than we do high school graduates in the initial phase of the training. So it is quite desirable to recruit high school graduates from that point of view. The information from then on is not so clear in its implications. A non-high-school graduate who successfully adapts to military life, completes initial training and skill training and the like, appears to do about as well in the military occupation as a high school graduate.

Senator NUNN. Are you saying there is no correlation between non-high-school graduates and discipline problems? There was in the Marine Corps.

Mr. PIRIE. I don't have the direct figures that bear on that. What I do have says success in training is correlated strongly with high

school graduates. So I think by implication you can extend that and say yes, we probably do have more discipline problems with people who have not finished high school.

Senator NUNN. The Army is clearly now opting for numbers and letting the quality standards drop. Do you, as Assistant Secretary of Defense, agree with that?

Mr. PIRIE. The Army is going for numbers in the first 6 months. I agree with that. I would prefer to see them take more high school graduates. We have had discussions with the Army Recruiting Command. I am not in a position to dictate to the military services what percentage high school graduates they shall take and shall not take. They have to meet their own requirements as best they can.

Senator NUNN. That is up to each service? Are they autonomous in that respect?

Mr. PIRIE. Yes, sir. We do not dictate the percentage of high school graduates in the services.

Senator NUNN. They completely run their own show in that regard?

Mr. PIRIE. That is right, Senator.

Senator NUNN. The Marine Corps has been here to testify, and each time they have testified that they made mistakes in going after numbers rather than quality. The Army is now intentionally, as a matter of policy, doing precisely that. Doesn't that give you some concern at the Secretary of Defense level?

Mr. PIRIE. It does, Mr. Chairman, and we are watching carefully. As I say, we have had discussions with the Army and with the Army Recruiting Command.

Senator NUNN. In his speech aboard the *Nimitz*, President Carter endorsed the provisions of the Nunn-Warner amendment and reaffirmed his support for certain legislative proposals already included in the budget and a new legislative proposal to provide dental benefits for military dependents under CHAMPUS. In a May 26 press release from the Department of Defense it stated:

> The President and Secretary Brown believe that this billion dollar program is a significant step in restoring the attractiveness of military service to young people in America and in providing equity for those members of our society who bear a disproportionate share of service and sacrifice.

Neither the Department of Defense press release nor the President mentioned that the President's budget includes only $300 million for new legislation relating to military pay. Later in the week, the President opposed the Defense numbers in a congressional budget resolution which included higher amounts of money for military pay. How does the Department of Defense expect to finance the $1 billion in additional compensation benefits with only $300 million requested in the budget for these benefits?

Mr. PIRIE. Mr. Chairman, clearly we would like, all things being equal, to have some form of amendment to add that money. That may or may not be feasible. The Secretary of Defense has indicated that if it is not feasible, then he will reprogram out of the existing budget to meet this amount, whatever amount is authorized.

Senator NUNN. Has the Secretary of Defense proposed to the President to include a budget amendment to add enough money to cover these items?

Mr. PIRIE. The Secretary has not yet proposed a budget amendment. His view is that we would first prefer to see what the congressional budget process and the initial stages of the appropriation process brings forth.

Senator NUNN. As you know, Mr. Secretary, the President opposed the budget resolution, stating that it was too high, and it was defeated on the floor. It seems to me, the President is in a completely untenable posture of having submitted a proposal that exceeds his own budget level by $700 million, having pledged very specifically to the Senate in December and affirmed by Secretary Brown that he was going to make whole his own budget proposal; and then at the same time, opposed the budget resolution that has in it enough funds to accommodate these provisions.

Can you, as spokesman for the administration, explain this seemingly untenable position?

Senator COHEN. Mr. Chairman, may I ask him to explain what he means by "all things being equal."

Senator NUNN. Let us take it in two questions. First, what do you mean by "all things being equal" and second, how can you explain what is apparently the position of the President of the United States and Commander in Chief which is totally inconsistent, has no analytical or intellectual consistency to it, and leaves the Congress in a position of really having no idea where the President stands on the Defense budget? I hope anyone who knows where the President stands with regard to the budget will enlighten me.

Mr. PIRIE. "All things being equal"—I forget the context in which I used it—was a rhetorical expression meaning that the pending condition is not changing.

Senator COHEN. I will remind the witness that he said all things being equal they would like to have dollars added to the budget. That is the way in which he used the phrase. I don't know what that means.

Mr. PIRIE. What that means is that if it were simply up to me and did not affect other members in the administration or make the President's job more difficult, it would be nice to have more money. I recognize those things don't in fact obtain.

With respect to the $700 million additional, the Secretary of Defense has indicated his willingness to reprogram that money within existing appropriations.

Senator NUNN. Out of what? Are we going to take it out of O. & M.? Are we going to take it out of shipbuilding? Are we going to take it out of planes? Where is the Secretary of Defense's grab bag?

Mr. PIRIE. I think he would like to see what the appropriation process turns up before he makes that decision.

Senator NUNN. The President is having a direct influence on the appropriation process by causing the budget resolution to be defeated.

Mr. PIRIE. That is the overall part of it. The other part of it is the allocation between the different functions, manpower, O. & M., procurement and R. & D.

Senator NUNN. Mr. Secretary, are you going to submit each of those proposals that you outlined in your opening statement to the Congress this week?

Mr. PIRIE. They will be in this week, Mr. Chairman.

Senator NUNN. Including the CHAMPUS provision?

Mr. PIRIE. Yes. I believe Dr. Moxley will have those ready by mid-week.

Senator NUNN. If you can't answer this, yourself, would you please ask the Secretary of Defense to submit his own answer to the following question. On December 12, 1979, the President stated in a speech to the business council that he would submit a 1981 Defense budget that would increase budget authority by 5 percent over his request for fiscal 1980. I quote:

I will submit, for fiscal year 1981, a budget to increase funding authority for defense to more than $157 billion, a real growth of more than 5 percent over my request for fiscal year 1980. Requested outlays for defense during fiscal year 1981 will grow by more than 3 percent in real terms over the preceding year.

He added:

We will sustain this effort. My 5-year defense program provides real funding increases that average more than 4½ percent a year. I intend to carry out this program. With careful, efficient management we should be able to do so within the budget increases I propose. If inflation exceeds projected rates I intend to adjust the defense budget as needed just as was done in 1980.

Secretary Brown reinforced the President's statement in his statement to the Armed Services Committee on the 5-year defense plan. Secretary Brown stated:

Should our assumptions as to future inflation on which the program is based later prove to have been underestimated, the administration will take appropriate action to preserve the integrity of this program. Moreover, the administration will also consider submission of supplemental requests as necessary to assure a program of equivalent capability after congressional authorization and appropration have taken place.

Now Mr. Secretary, this was before Afghanistan—before what the President terms as one of our major crises since World War II. The total amount of cut that the President has allowed to take place since that time is $2½ billion, that is not funded, counting 1980 and 1981. In addition to that, as I now see it, the President has proposed $1 billion in pay and benefits proposals of which he has funded for only $300 million. That adds another $700 million that he has not funded. Now, are we to consider these statements in December by the President and Secretary Brown inoperative?

Mr. PIRIE. I will have to provide the Secretary's response to that for the record, Senator. I am not in a position to comment.

[The information follows:]

The statements made in December and at other times by the President and Secretary Brown are clearly still operative and have been reinforced since that time.

In late fall 1979 Secretary Brown presented to the Congress a preview of the administration's fiscal year year 1981 Defense budget. This preview accurately forecast the January budget request. In March—once the impact of inflation, oil price increases, and the cost of expanded Indian Ocean operations became clearer—the administration submitted necessary fiscal year 1980 supplemental and fiscal year 1981 amendment requests to accommodate the budget to these changed circumstances. These requests were necessary to adapt the budgets of the 2 years to unforeseen and unforeseeable changes—such as those arising from the Soviet invasion of Afghanistan—and reflect the administration's determination to preserve the program in the face of these events.

There has been no inconsistency in the administration's approach to Defense issue. In his testimony and public statements, the Secretary of Defense has repeatedly urged the Congress to support steady, sustained real increases in Defense spending. The administration's reaction to recent congressional action to

increase the President's budget proposal is not inconsistent with either this general thrust of steady, sustained real increases in Defense spending or the President's commitment to improve the compensation of our men and women in uniform.

With respect to the President's compensation proposals, the amended fiscal year 1981 budget submitted to the Congress includes about $300 million of the required $1 billion. The decision on how to finance the remaining costs in fiscal year 1981 has not yet been made, and will be affected by a number of different factors, including congressional action on the legislative proposals, the outcome of the authorization and appropriation process, and the results of ongoing reviews of program performance and priorities within the Defense program. Some form of supplemental request will be required to finance the added costs in the affected appropriations. The precise timing of the submission of detailed appropriation requests is not yet known. Nevertheless, it is clear that we will request the needed financing for those proposals which are approved by the Congress, and that subsequent changes to our fiscal year 1981 estimates will continue to reflect the sustained growth levels to which the President and the Secretary are firmly committed.

Senator NUNN. I certainly can understand your not being in a position to comment because this is really unexplainable. The President has reversed his own position on the national security budget in a period of international crisis at least four times since December 1. It seems to me what we now have is probably the most imaginative use of mathematics during my tenure on the Hill.

I believe my time has expired.

Senator Jepsen?

Senator JEPSEN. I would like to reserve my time. I yield to Senator Cohen who has been here all along. I will catch up in the meantime. Is that all right, Mr. Chairman?

Senator NUNN. Yes; Senator Cohen?

Senator COHEN. Mr. Pirie, on May 26 there was an editorial in the Washington Post that talked about the return of the *Nimitz* from the Indian Ocean. They discussed the question of pay for those in uniform. The Post pointed out that even when one considers regular military compensation and the full range of the benefits, service personnel fare poorly. Third-class petty officers made about $2.54 an hour over the past 8 months. Junior chief petty officers with 10 years' experience got $3.32 an hour, 22 cents above the minimum wage. The Post said that:

This ceremony to welcome the *Nimitz* home is fine. Combat bonus is all right too. While we are at it and remembering those who failed in the rescue mission, we should see that the military people get the respect they deserve and a living wage.

This is not so much a question on my part but a strong endorsement of the Post's commentary. I can only say I can't really understand why the administration has been so resistant to increasing pay to reasonable levels for those in uniform. As I listen to the answers, I don't know if you are responsible for the administration's policy. But, trying to comprehend the policy of the administration with respect to pay of military personnel is the equivalent of walking through a maze of mirrors, where you can't distinguish reality from reflection and where multiplication of reflection produces a sense of disorientation and confusion.

The chairman pointed out that four different times there has been a shift in policy. This has been totally confusing to us here on the Hill. You have testified in the past about the administration's qualified support for the Nunn-Warner package. I am not too sure exactly how that shakes down, Mr. Secretary.

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On May 26 President Carter announced a $1-billion "Fair Benefits Package," much of which is already contained in the Nunn-Warner legislation.

I have several questions: Of the $1-billion package, how many of the provisions are already contained in Nunn-Warner, and what is the dollar value of that package?

Mr. PIRIE. The Nunn-Warner provisions amount to about $702 million, Senator Cohen. Other parts of it: The dental care legislation will come to about $130 million, the eight remaining legislative actions requested will come to $199 million.

Senator COHEN. Have any of these fair benefit package proposals been submitted in the form of legislation by the administration?

Mr. PIRIE. Five of the eight.

Senator COHEN. If so, what are the dollar value of those legislative proposals?

Mr. PIRIE. The family separation allowance for E–4 and below has been submitted. That cost is $13.1 million.

Increased trailer allowance has been submitted. That is a cost of $8 million.

The increased quarters allowance for certain Navy personnel has been submitted. That is $10 million.

Increase in enlistment and reenlistment authority has been submitted. That is $10 million.

The reenlistment bonus has been submitted. That is $2 million. That was submitted on February 12.

The three remaining items which will be here this week have been in coordination in the administration. That is a BAQ for E–7 and above. That is $34 million. Continuation of bonus for pilots is $20 million.

The increase in temporary duty reimbursement is $102 million.

Senator COHEN. For each of the items contained in the fair benefits package, to what degree are these benefits discretionary?

Mr. PIRIE. The family separation allowance is in fact an entitlement. The increased trailer allowance is an entitlement. The increased quarters allowance is an entitlement to those who meet the category. Some of the individuals may choose not to draw that. With the increase in enlistment and reenlistment authority, once again that is entitlement to those who choose to avail themselves of it.

We have a lot of discretion in determining the size of the bonus with respect to the shortage in the skill categories. The reenlistment bonus is an entitlement for those who reenlist.

The BAQ options once again would provide an allowance to those who avail themselves of the option to live on the economy rather than to live in Government housing.

Continuation bonus for pilots, once again entitlement for those who sign up. The TDY reimbursement would be an entitlement.

Senator COHEN. Now, of those items which are classified as being discretionary, can you tell us how much money you feel the administration tends to support in the fiscal year 1981 budget?

Mr. PIRIE. Off this list I have just read?

Senator COHEN. Yes.

Mr. PIRIE. The administration supports the $199 million we estimate it would cost in 1981.

Senator COHEN. By the way, have you seen the so-called Tower proposal, as far as a pay raise is concerned?

Mr. PIRIE. I have only heard it discussed. I have not seen it written out, Senator.

Senator COHEN. He is talking about an 11.7 percent pay raise, to be targeted on a selective basis, not across the board. Do you support that in concept?

Mr. PIRIE. That is with respect to the 1981 budget. I support what the President has asked for, Senator. I do not support additions to that at this point.

Senator COHEN. The President is supporting what? What is his figure?

Mr. PIRIE. Our position is that we have budgeted for a 7.4 percent pay raise for military personnel with the expectation that the professional, technical and clerical index will raise that amount over fiscal 1980. If the PATC index raises more it is expected that we would offer a larger pay raise.

I understand that it may rise as much as 8.2 percent. That is of course based on the expectation that the Federal Employees Compensation Reform Act will pass, allowing a different rate to military people than we pay to civilians.

Senator COHEN. What I still don't understand is your statement about all things being equal. Clearly the administration and DOD would like to have a significant pay raise. When you clarified that in your own mind, it is sort of wishful thinking. In essence, it would be nice to have a pay raise of some significance but you don't expect that to be the case.

Senator Hollings has sent a letter out saying the Budget Committee has made budgetary assumptions which would allow for an 11.7 percent pay raise. Yet, the administration is now undercutting that particular budgetary process. I don't understand how you can do that. On the one hand you say it would be nice, and the Senate is responding by saying we are going to make it a reality, not just simply wishful thinking. Then why are you opposed to it?

Mr. PIRIE. Once again it is somewhat beyond my pay grade——

Senator COHEN. We are trying to increase that too.

Mr. PIRIE. Thank you. That is very kind.

As I understand it there are two fundamental objections. One is that we don't buy the economic assumptions that it would increase the size of the deficit or give us a deficit rather than a surplus. Second, given that amount of money is going to be added to the budget it may be that the President's priorities call for it to be added in a different area.

Senator COHEN. What do you mean by different area?

Mr. PIRIE. To buy something else with that amount of money.

Senator COHEN. Senator Nunn asked you earlier, if you don't get the budgetary increase, how can you hope to achieve that $1 billion package. I was not sure what your answer was. How are you going to reallocate that or reprogram that?

Mr. PIRIE. The answer is that we will have to see at the time what appropriation action has taken place. In some cases, for example, if the President's budget or a substantially lower amount were ap-

propriated that would give us a very severe amount of trouble finding the $700 million to be reallocated.

Senator COHEN. Let me point out what is troubling me. On the one hand, you are saying that unless you get the additional money to fund the $1 billion package, that means you will have to reprogram within existing categories without being able to specify those now. But, if we tell you we are going to add the money, which is what you are suggesting here, you may have to take that money and reprogram into areas other than personnel.

How do you reconcile those two statements?

Mr. PIRIE. I am not at all certain I am saying that.

Senator COHEN. You said if we added the money in the budget that the administration might feel it should reprogram that addition into some other area.

Mr. PIRIE. No; I am sorry, I am talking about something entirely different. I may have misled you. What I am saying is that if in the President's full budget the sum of money is to be added he may choose to add it in the defense area or he may choose to add it to some other area. That prerogative is his, it seems to me, in what he asks for in the budget. I could not guarantee that if you gave him $1 billion that his first priority at this point or at any subsequent point in the appropriation process would be to add it to the defense function or, within the defense function, to military pay.

Clearly on his initiative the President has placed military compensation high on his list of defense projects. That is about all I am saying.

Senator COHEN. My time is up, Mr. Chairman.

Senator NUNN. Mr. Chairman, do you have any questions?

Chairman STENNIS. No; thank you.

Senator NUNN. Senator Exon?

Senator EXON. Mr. Secretary, I want to return to the graduates from high school. Does your testimony stand which you gave earlier that you have no goal in the Army for high school graduates?

Mr. PIRIE. The Army has a goal. They do not have a limit. What is the Army goal?

General TICE. 80,000 male high school diploma graduates for fiscal year 1980, with 20,000 female high school diploma graduates.

Senator EXON. What is that percentage? Is it 72 percent? I think we have testimony in our record that shows 72 percent is the goal.

General TICE. They establish the goal in terms of numbers. The percentage will vary depending on the size of the total accession requirement. The Army has established as a minimum the number of high school diploma graduates they feel they need to man the force in a cost-effective manner. For example, the shortfall that they had last year in accessions, you add that to the requirement this year so that the recruiting objective is relatively high. They specify for the recruiting command not a percentage of those accessions coming in but the numbers, the raw numbers, of people who have completed high school.

I think it comes out about 62 percent for the fiscal year 1980 accession plan.

Senator EXON. Sixty-two percent?

General TICE. Yes, sir. It works out to about 62 percent. Right now they are not doing that well.

Senator EXON. Of all of the volunteers we have in the United States today what percentage of them have completed high school?

Mr. PIRIE. I believe it is about 70 percent.

General TICE. We can provide that for the record.

Senator EXON. I would like to have that for the record, Mr. Chairman.

[The information follows:]

YOUTH COMPLETING HIGH SCHOOL

According to the National Center for Education Statistics approximately 75 percent of the male youth population graduates from high school.

Senator EXON. Are you indicating that of all the youth in the age category in the United States only 70 percent graduate from high school?

General TICE. I think that is roughly correct, sir, for young men.

Senator EXON. Don't we have laws in most States that require attendance until they graduate from high school?

General TICE. No, sir. Most of the State laws indicate by age, attendance through secondary school through the age of 16 or 18, whatever it may be. A successful completion is not a requirement by State law.

Senator EXON. General, or Mr. Secretary, would you not say it is a serious situation when we are only getting 38 to 43 percent volunteers in the Army who have completed high school? That figure is so startling to me but you don't seem to express any concern over that.

General TICE. We are very much concerned over it. I think when you see that a high school graduate has a 30-percent greater opportunity of completing his first term of service it makes sense to try to recruit those individuals who have graduated from high school. It also does not indicate that the individual who has not completed high school, who scores high on our entrance test, could not also do well in the service. Well over one-half of the noncompletes do adjust successfully to the military environment.

Senator EXON. Of these volunteers that we presently have for the Army what percentage of those represent minority groups?

Mr. PIRIE. For the first 6 months of fiscal 1980, Senator, in the Army——

Senator EXON. I am sorry, Mr. Chairman, I just can't hear.

Mr. PIRIE. For the first 6 months of 1980, Senator, for the Army, 29 percent of the volunteers were black.

Senator EXON. Give me that again.

Mr. PIRIE. Twenty-nine percent for the first 6 months of 1980, fiscal 1980 for the Army. The DOD overall percentage was 21 percent black among new accessions.

Senator EXON. What about other minority groups?

Mr. PIRIE. I will have to provide that for the record, Senator. I do not have that broken down here.

Senator EXON. Mr. Chairman, I would like to supply for the record a sheet that I have that was a part of this record before, that shows that for fiscal year 1981 the Army had a goal of 72.2 percent high school graduates, Navy 70.8, Marine Corps 75.1, and Air Force 82.9.

Senator NUNN. Without objection.

[The information follows:]

MINORITY ENLISTMENTS

Percent of Minority Enlistees During FY 1980 (through March)

MINORITY NPS ENLISTMENTS, FISCAL YEAR 1980 THROUGH MARCH 1980

[In percent]

	Total minorities	Black	All other minorities
Army	34.7	29.0	5.7
Navy	16.1	12.9	3.2
Marine Corps	25.5	21.2	4.3
Air Force	18.9	16.0	2.9
DOD	25.8	21.5	4.3

ACTIVE FORCE ENLISTED ACCESSIONS

[In thousands, fiscal years]

Service	1977 actual	1978 actual	1981 President's budget: 1979 actual	1980 plan	1981 plan
Department of Defense:					
All sources	410.8	331.7	339.4	400.0	376.4
PS	23.3	19.8	22.5	25.1	27.6
NPS, total	387.5	312.0	316.8	374.9	348.8
NPSM	356.4	273.7	274.7	323.9	297.7
MHSDG	(240.4)	(205.5)	(192.7)	(220.1)	(221.8)
NPSF	31.2	38.3	42.1	51.0	51.1
Army:					
All sources	180.7	134.4	142.2	177.1	150.4
PS	12.3	10.4	12.9	14.0	14.0
NPS, total	168.4	124.0	129.3	163.1	136.4
NPSM	153.4	106.5	112.1	140.0	113.6
MHSDG	(86.2)	(74.6)	(65.6)	(80.0)	(82.0)
NPSF	15.0	17.5	17.2	23.0	22.8
Navy:					
All sources	109.5	87.0	86.4	101.0	99.8
PS	8.0	6.7	6.8	6.3	6.8
NPS, total	101.6	80.3	79.6	94.7	93.0
NPSM	96.8	74.5	70.5	83.5	81.5
MSHDG	(69.0)	(56.5)	(53.6)	(60.1)	(57.7)
NPSF	4.8	5.8	9.1	11.2	11.5
Marine Corps:					
All sources	46.9	41.0	42.8	45.6	42.1
PS	1.9	1.4	1.5	1.7	1.7
NPS, total	45.0	39.6	41.3	43.9	40.4
NPSM	43.5	37.3	39.0	41.6	38.1
MHSDG	(30.0)	(27.5)	(29.2)	(31.2)	(28.6)
NPSF	1.6	2.3	2.3	2.3	2.3
Air Force:					
All sources	73.6	69.3	68.0	76.4	84.1
PS	1.1	1.3	1.4	3.1	5.1
NPS, total	72.5	68.0	66.6	73.3	79.0
NPSM	62.7	55.3	53.2	58.8	64.5
MHSDG[1]	(55.2)	(46.9)	(44.1)	(48.8)	(53.5)
NPSF	9.9	12.7	13.4	14.5	14.5

[1] Air Force MHSDG plan in fiscal years 1980 and 1981 based on 83 percent of NPS male objective.

Legend: All sources=NPS+PS. PS=Prior service. NPS=Nonprior service. MHSDG=Male high school diploma graduate.

Note: Numbers may not add due to rounding.

Senator EXON. At this time then, of all the minority groups you have given me, 29 percent are black, but you can't break it down any further than that?

General TICE. I think that we would be able to provide a total of all other racial categories for the record.

Mr. PIRIE. We have it but we did not bring that data.

General TICE. For the record we can report whites, blacks, and others.

Senator EXON. You don't know what that is?

General TICE. For the Army, about 6 percent of the enlistees are in the "all other" minority category.

Senator EXON. So if you add that on to the 29 percent black you would be up to about 39 or 40 percent of the Army as minority group?

General TICE. No, sir, it would be 29 percent black and 6 percent "all other" for a total Army enlistment rate of 35 percent.

Senator EXON. Does that concern you, gentlemen?

Mr. PIRIE. It is a matter of concern that a minority is disproportionately charged with bearing the defense responsibility for the majority.

Senator EXON. As to the overall population of the United States, what is the percentage of our population that would fall in that broad range of minority groups you have just outlined?

Mr. PIRIE. Of the youth population, black about 14 percent. For Hispanics it is 5 or 6 percent. Yes, about 20 percent.

Senator EXON. So, if you looked to the percentages you would have to conclude that we are getting about double volunteers for the Army from the minority group.

Mr. PIRIE. Yes, sir. I think that is fair to say.

Senator EXON. I want to go to the budget a little bit if I have some time left, Mr. Chairman.

Senator NUNN. Senator Exon, we have a vote. We will recess now and come back and you can continue your questioning.

Senator EXON. Let us go vote.

[A brief recess was taken.]

Senator NUNN. Senator Exon?

Senator EXON. Thank you, Mr. Chairman.

Mr. Secretary, are you able to enlighten me, not only for this committee but for the Budget Committee on which I serve, as to what the President would like to have in outlays for 1981 for the defense budget? Is it the 150.5 the figure you still understand he is standing on?

Mr. PIRIE. I am not prepared, Senator Exon. I would be delighted to provide that for the record but I am not up to speed on that.

Senator EXON. Thank you. I would appreciate your supplying that for the record as quickly as you can.

[The information follows:]

MARCH 1980 BUDGET REVISIONS

The following table summarizes the March 1980 revisions to the January budget submission:

	Budget authority		Outlays	
	National	DOD	National	DOD
January	$161.8	$118.2	$146.2	$142.7
March	164.5	160.9	156.5	147.0

Senator EXON. Do the Secretary of Defense and the President still maintain their goal of a 3-percent real increase in the defense budget for fiscal 1981?

Mr. PIRIE. I believe the initial goal that was articulated when the budget was submitted was on the order of 5 or 5.6 percent real growth, if I am not mistaken.

Senator EXON. If I remember right that was over a number of years. If I remember correctly, for 1981 it was to be 3 percent for that year and then escalate on up in the outyears. Is that not right, Mr. Chairman?

Senator NUNN. Excuse me, Senator Exon, I was talking to staff.

Senator EXON. With regard to 1981, the question came, the witness indicated he thought the President had recommended a 5-percent commitment to NATO. I think that is over a period of years. Is it not true that the President recommended 3 percent real growth for 1981?

Senator NUNN. I believe the President said as far as the NATO pledge, the 3-percent real growth is correct. In December, he said he was proposing a budget that would average over 5 percent for the next 5 years——

Senator EXON. I believe it was 3 for 1981.

Senator NUNN. For NATO it was 3 percent, but over all he has been talking about 5 percent.

Senator EXON. Over all would be 5?

Senator NUNN. Well, again you get back to budget authority. I think he has been talking about 5 percent in budget authority, but somewhere between 3 and 4 percent in outlays.

Senator EXON. That was the reason for my question, and since you are not sure of that figure, then you might not be able to answer the next question that I have. The CBO reestimate of the President's recommendations comes out to $153.1 billion. The President has evidently objected to the $153.7. So it just seems to me that the basic figures that we are talking about here would indicate that the President may have had a change of mind on keeping that commitment that he made to the NATO alliance.

Can you enlighten me on that at all?

Mr. PIRIE. I know of no change in mind about keeping that commitment, Senator. What we are probably seeing, and again I am not an expert, is some argument about the rate of inflation that is appropriate to use to do the calculations, fuel prices and things of that kind.

Senator EXON. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

Senator NUNN. I believe, Senator Exon, what you were talking about was an estimate by CBO that based on current DOD spending practices, the likely outlay figure is going to be very close to the Budget Committee resolution for 1981. The President won't readjust that until July, and it could change. But based on the current spend-

ing pattern of DOD, it is very likely, according to CBO estimates, that the 1981 outlay figure that is going to be necessary because of DOD spending practices in fiscal year 1980 is going to be very close to the budget figure that was a compromise between the Senate and the House.

Senator EXON. Right.

Senator NUNN. The President will be given an opportunity to again reverse on that in July. We will have a new budget. That is what I understand. Is that what you understand, too, Senator Exon?

Senator EXON. You are right, Senator Nunn. That is why it is also confusing to those of us who are trying to wrestle with problems of payment to the military. It was brought out in the questioning that the Budget Committee has recommended an 11-plus increase in overall military pay and evidently the President is remaining with the 7-percent as he originally recommended and is adding Nunn-Warner on top of that, but expects to obtain that $700 million plus figure that Nunn-Warner will cost from elsewhere in the budget, and I believe you previously testified that you are not sure that it has been identified from where that money would come?

Mr. PIRIE. That is right. It is $700 million.

Senator NUNN. Who will decide where that money is coming from and where?

Mr. PIRIE. The Secretary has said he is willing, if necessary, to reprogram, but that he prefers to await the completion of the appropriations process.

I assume that the Secretary will then make that decision along with the decision about whether to request a budget amendment when the appropriations process is completed, or very nearly so, and that will be, my guess, in September. My guess would not be as educated as yours, Mr. Chairman.

Senator EXON. Mr. Chairman, I have one last question going back to this high school graduate thing once again:

Is there any pattern, gentlemen, as to where these volunteers are coming from who are volunteering at the present time? Are they coming from one section of the country more than another? My question is, are we getting as many volunteers from Nebraska as we are from Georgia?

Mr. PIRIE. We have evaluated that routinely over the last 4 years, Senator Exon. We did look at that in 1976. What we can say is that there is no shift in the geographical distribution of new fiscal year 1979 enlistees was somewhat less representative than in previous years in the North Central, Middle Atlantic, and Pacific States.

Senator EXON. You haven't done a study on that in 4 years?

Mr. PIRIE. We have evaluated it in each of the last 4 years.

Senator EXON. With the computers, could we not just push a button and get that information?

Mr. PIRIE. One always thinks it ought to be that simple, and somehow, Senator, it never turns out to be that way. We gather the data from our own computer files and compare it with data from other agencies.

Senator EXON. I wish you could supply something for the record on that, and see from whence these people are coming. That is something that might be of additional concern.

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Mr. PIRIE. I will provide a copy of our most recent report for the record.

[The information follows:]

NATIONAL REPRESENTATION IN THE ARMED FORCES

Attached is the annual "Population Representation in the All-Volunteer Force" report. This report provides statistics on the geographic, educational, economic and racial composition of fiscal year 1979 non-prior service enlisted accessions and for members of the Active Force as a whole at the end of fiscal year 1979.

POPULATION REPRESENTATION IN THE ALL-VOLUNTEER FORCE

I. INTRODUCTION

This report provides statistics on the geographic, educational, economic, and racial composition of fiscal year 1979 non-prior service enlisted accession and for members of the Active Force as a whole at the end of fiscal year 1979.

II. GEOGRAPHIC LOCATION

A. State representation

The geographic distribution of new enlistees is measured in two ways: the distribution of enlistees by state of residence at time of entry, and their distribution by urban and rural areas.

The distribution of enlistees by population ranking of the states is shown in Table 1. Detailed population and accession data arrayed by state population size are shown in Appendix 1.

TABLE 1.—COMPARISON OF STATE DISTRIBUTION OF U.S. POPULATION (AGES 17 TO 21) AND ENLISTED ACCESSIONS, ALL SERVICES, FISCAL YEAR 1979

State ranked by population	Percent of total		Cumulative percentage	
	U.S. population (ages 17 to 21)	Enlistments, fiscal year 1979	U.S. population (ages 17 to 21)	Enlistments, fiscal year 1979
10 most popular states (California, New York, Texas, Pennsylvania, Ohio, Illinois, Michigan, Florida, New Jersey, Massachusetts)	52.3	51.0	52.3	51.0
Next ten states (Indiana, North Carolina, Georgia, Virginia, Wisconsin, Missouri, Tennessee, Louisana, Minnesota, Maryland)	21.7	22.3	74.0	73.3
Next 10 states and Puerto Rico (Alaska, Washington, Kentucky, South Carolina, Connecticut, Iowa, Colorado, Mississippi, Oklahoma, Arizona)	15.4	15.3	89.4	88.6
Next 10 states (Oregon, Kansas, Arkansas, West Virginia, Nebraska, Utah, New Mexico, Rhode Island, Idaho, Maine)	7.2	7.2	96.6	95.8
10 least populous states and District of Columbia, Virgin Islands, and Guam (Montana, Hawaii, New Hampshire, South Dakota, North Dakota, Delaware, Nevada, Vermont, Wyoming, Alaska)	3.4	4.2	100.0	100.0

The regional distribution of fiscal year 1979 DOD enlisted accessions is compared with previous years in Table 2.

TABLE 2.—COMPARISON OF REGIONAL DISTRIBUTION OF U.S. POPULATION (AGES 17 TO 21) AND ENLISTED ACCESSIONS, ALL SERVICES, FOR FISCAL YEARS 1974, 1977, 1978, AND 1979

	Percent distribution				
	U.S. population (ages 17 to 21)	Enlistments (fiscal years)			
		1974	1977	1978	1979
New England	5.3	4.5	6.0	5.7	5.5
Middle Atlantic	16.3	12.8	16.2	15.8	15.4
East North Central	19.0	17.6	19.1	17.6	17.4
West North Central	7.6	7.9	7.4	7.2	6.9
South Atlantic	16.1	17.6	16.7	19.4	19.8
East South Central	6.6	7.5	6.3	6.8	7.0
West South Central	9.9	11.8	9.3	9.3	9.6
Mountain	5.0	5.2	4.9	5.0	5.1
Pacific	12.6	14.1	13.2	11.8	11.9
Other	1.5	.9	.9	1.4	1.4

Appendix 2 compares the individual Service accessions for Fiscal Years 1974, 1978, and 1979 by geographic region. Appendix 3 shows detailed state population and Service accession data groups by ten census regions.

B. *Urban-Rural Representation*

DoD records do not directly classify enlistees by residence in urban or rural areas. However, this can be estimated by determining how many enlistees come from within the 57 largest Standard Metropolitan Statistical Areas. Each of these 57 SMSAs have populations of at least 600,000 (almost all of which are urban) and together contain about one-half of the population. Table 3 shows the results of this analysis.

TABLE 3.—URBAN AREAS REPRESENTATION (57 LARGEST SMSA's): U.S. POPULATION AND PERCENTAGE OF ENLISTEES, FISCAL YEARS 1972-79

	Population	Army	Navy	Marine Corps	Air Force	DOD
Fiscal year 1972	50	46	46	48	43	46
Fiscal year 1973	50	45	48	49	43	45
Fiscal year 1974	50	44	48	50	43	46
Fiscal year 19[illegible]5	49	47	49	51	44	48
Fiscal year 1976	49	49	49	52	48	49
Transition quarter	49	48	50	51	47	49
Fiscal year 1977	49	49	50	53	48	50
Fiscal year 1978	49	46	49	52	47	48
Fiscal year 1979	49	47	48	52	47	48

III. EDUCATIONAL ATTAINMENT

The following table displays the highest level of education attained by enlisted accessions at time of entry into the Service for fiscal year 1964 and fiscal year 1971 through fiscal year 1979.

TABLE 4.—EDUCATIONAL ATTAINMENT OF ENLISTED ACCESSIONS INCLUDING INDUCTEES

[In percent]

	High school nongraduate	Equivalency certificate	High school diploma graduates			Total
			Total	No college	Some college	
Fiscal year 1964	32.0	NA	68.0	54.7	13.3	100
Fiscal year 1971	30.5	0.5	69.0	48.5	20.5	100
Fiscal year 1972	26.8	4.9	68.3	56.2	12.1	100
Fiscal year 1973	31.0	1.7	67.3	56.1	11.2	100
Fiscal year 1974	34.0	6.4	59.6	54.1	5.5	100
Fiscal year 1975	28.3	6.5	65.2	58.8	6.4	100
Fiscal year 1976	24.9	6.4	68.8	63.1	5.7	100
Transition quarter	25.1	4.3	70.6	NA	NA	100
Fiscal year 1977	25.1	5.6	69.4	63.1	6.3	100
Fiscal year 1978	17.4	5.5	77.1	70.4	6.7	100
Fiscal year 1979	20.7	6.4	72.8	67.2	5.6	100

In the Active Force as a whole, 89 percent of the enlisted members are high school graduates.

IV. SOCIO-ECONOMIC BACKGROUND

There are two sources of socio-economic background data on new recruits. One is the computer match of enlistees' residence area with the 1969 Census data on median family income in the zip code areas in which DoD enlistees resided. This data is displayed in Table 5.

TABLE 5.—CALENDAR YEAR 1969 FAMILY INCOME DATA COMPARED WITH CALENDAR YEAR 1969 DISTRIBUTION OF MEDIAN INCOMES FOR FISCAL YEARS 1974, 1975, 1976, TRANSITION QUARTER, 1977, 1978, AND 1979 ENLISTEES' RESIDENCE

[In percent]

Income	Calendar year U.S. family income distribution [1]	Distribution of calendar year 1969 median incomes of DOD enlistees' residences (fiscal years)						
		1974	1975	1976	TQ	1977	1978	1979
Under $6,000	26	7	6	5	6	6	6	7
$6,000 to $7,999	14	25	24	22	22	23	24	25
$8,000 to $9,999	14	32	32	33	32	32	32	32
$10,000 to $11,999	13	24	25	26	26	26	25	24
$12,000 to $14,999	14	10	11	12	12	11	11	10
$15,000 to $24,999	15	2	2	2	1	2	2	2
Over $25,000	4	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total	100	100	100	100	100	100	100	100
Median (in 1969 dollars)	9,433	9,078	9,250	9,667	9,375	9,317	9,210	9,165

[1] Bureau of the Census, series P–60, No. 70, Consumer Income—1969.
[2] Less than 0.5 percent.

Note: Median family income in calendar year 1978 was $17,640 or 87 percent higher than in 1969.

The other is a survey of enlisted accessions undertaken in fiscal year 1979 in the Armed Forces Examining and Entrance Stations (AFEES) requesting information on the 1978 family income of recruits. The results show the difficulty of obtaining this information from young people. Over one-fourth of those surveyed either did not know the amount of family income or did not respond to the question. The survey results (Table 6) indicate that the median income of fiscal year 1979 accessions was below the national median for families whose heads would be about the same age of those of the recruits' families (35–54). The median income for the population was $21,500 compared to the median income of $13,800 for fiscal year 1979 accessions. The lowest median income reported was for Army accessions ($11,700) and the highest for Air Force enlistees ($16,400).

TABLE 6.—REPORTED FAMILY INCOME BY SERVICE, FISCAL YEAR 1979 MALE ACCESSIONS COMPARED TO U.S POPULATION DATA

[Percent distribution]

	Population data, families with heads 35–54 yr old [1]	Fiscal year 1979 male accessions				
		Total DOD	Army	Navy	Marine Corps	Air Force
Total	100.0	100.0	100.0	100.0	100.0	100.0
Under $10,000	16.1	34.0	42.9	26.8	37.3	23.3
$10,000 to $14,999	27.7	20.8	21.1	21.4	18.3	20.9
$15,000 to $19,999	16.3	16.9	13.5	20.1	16.8	19.9
$20,000 to $25,999	16.4	10.9	8.6	12.4	9.8	14.0
$26,000 and above	39.2	17.5	13.8	19.2	17.9	21.9
Median income	$21,547	$13,800	$11,700	$15,400	$13,500	$16,400
Percent of total with unreported income	NA	28	40	21	23	18

[1] 1978 family income for families with heads 35 to 54 yr. old. Taken from Census Bureau publication P–60, No. 118 issued in 1980.

Source: AFEES survey.

V. RACIAL COMPOSITION

The proportion of blacks among enlisted accessions from fiscal year 1971 through fiscal year 1979 is shown in Table 7.

TABLE 7.—BLACKS AS A PROPORTION (PERCENT) OF ENLISTED ACCESSIONS

Fiscal year	Army	Navy	Marine Corps	Air Force	DOD
Fiscal year 1971	14	9	14	15	14
Fiscal year 1973	21	11	21	15	18
Fiscal year 1974	27	10	21	16	21
Fiscal year 1975	23	10	19	15	18
Fiscal year 1976	24	9	16	10	17
Transition quarter	29	10	18	12	20
Fiscal year 1977	29	11	21	11	20
Fiscal year 1978	34	13	24	14	23
Fiscal year 1979	37	16	28	16	26

Table 8 compares the proportion of blacks among Active Force strength and Active Force accessions in fiscal year 1979 with population data.

TABLE 8.—PROPORTION OF BLACKS IN SERVICE AND POPULATION

	Percent of—					
	Active Force (September 1979)			Fiscal year 1979 accessions		
	Total	Officer	Enlisted	Total	Officer	Enlisted
Service:						
Army	29	7	32	35	7	37
Navy	10	2	11	15	3	16
Marine Corps	20	4	22	26	4	28
Air Force	14	4	16	15	8	16
Total DOD	19	5	21	24	6	26
Population data:						
Percent of total	[1] 12			[2] 13		
Percent of college graduates		[3] 5			[3] 6	
Percent of noncollege graduates			[1] 13			[2] 13

[1] U.S. Population, male and female aged 17 to 44.
[2] U.S. population, male and female aged 17 to 24.
[3] Male and female 22 to 24-yr-old college graduate population in the United States (March 1977).

APPENDIX 1

STATES RANKED BY YOUTH POPULATION AND FISCAL YEAR 1979 NONPRIOR SERVICE ENLISTMENTS

[State total as percent of U.S. total]

State	Youth population [1]	Enlistments	Youth population (cumulative) [1]	Enlistments (cumulative)
California	9.3	8.5		
New York	7.7	7.3	17.0	15.8
Texas	5.8	5.8	22.8	21.6
Pennsylvania	5.3	5.3	28.1	26.9
Ohio	5.0	5.3	33.1	32.2
Illinois	4.9	4.2	38.0	36.4
Michigan	4.4	3.9	42.4	40.3
Florida	4.1	5.5	46.5	45.8
New Jersey	3.3	2.8	49.8	48.6
Massachusetts	2.5	2.4	45.3	51.0
Indiana	2.5	2.4	54.8	53.4
North Carolina	2.5	2.9	57.3	56.3
Georgia	2.4	3.2	59.7	59.5
Virginia	2.3	2.6	62.0	62.1
Wisconsin	2.2	1.6	64.2	63.7
Missouri	2.1	2.3	66.3	66.0
Tennessee	2.0	2.1	68.3	68.1
Louisiana	1.9	1.6	70.2	69.7
Minnesota	1.9	1.5	72.1	71.2
Maryland	1.9	2.1	74.0	73.3
Alabama	1.8	2.2	75.8	75.5
Washington	1.6	1.6	77.4	77.1
Kentucky	1.6	1.5	79.0	78.7
Puerto Rico	1.5	1.1	80.5	79.6
South Carolina	1.4	1.8	81.9	81.5
Connecticut	1.3	1.2	83.1	82.7
Iowa	1.3	1.1	84.5	83.8
Colorado	1.3	1.3	85.8	85.1
Mississippi	1.2	1.2	87.0	86.3
Oklahoma	1.2	1.0	88.2	87.3
Arizona	1.2	1.3	89.4	88.6
Oregon	1.1	1.1	90.5	89.7
Kansas	1.0	.8	91.5	90.5
Arkansas	1.0	1.2	92.5	91.7
West Virginia	.9	.8	93.4	92.5
Nebraska	.7	.6	94.1	93.1
Utah	.6	.4	94.7	93.5
New Mexico	.6	.8	95.3	94.3
Maine	.5	.7	95.8	95.0
Rhode Island	.4	.4	96.2	95.4
Idaho	.4	.4	96.6	95.8
Montana	.4	.4	97.0	96.2
Hawaii	.4	.5	97.4	96.7
New Hampshire	.4	.5	97.8	97.2
South Dakota	.3	.3	98.1	97.5
North Dakota	.3	.3	98.4	97.8
Delaware	.3	.4	98.7	98.2
District of Columbia	.3	.5	99.0	98.7
Nevada	.3	.3	99.3	99.0
Vermont	.2	.3	99.5	99.3
Wyoming	.2	.2	99.7	99.5
Alaska	.2	.2	99.9	99.7
Guam, Virgin Islands, Canal Zone, and American Samoa	.1	.3	100.0	100.0

[1] 1970 census projected to 1977, male and female, aged 17 to 21.

APPENDIX 2

COMPARISON OF FISCAL YEARS 1974, 1978, AND 1979 NPS ACCESSIONS, BY REGION AND SERVICE

	Youth Population[1]	Army			Navy			Marine Corps			Air Force		
		1974	1978	1979	1974	1978	1979	1974	1978	1979	1974	1978	1979
Number (thousands)		182.2	124.1	127.9	90.4	80.3	77.1	47.8	39.6	38.5	73.8	68.0	66.4
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New England	5.3	3.7	4.8	4.4	5.5	5.8	6.0	3.6	6.7	5.5	5.9	7.0	6.8
Middle Atlantic	16.3	10.7	13.3	13.2	14.9	17.6	17.1	14.8	18.5	18.1	14.0	17.0	16.2
East North Central	19.0	15.3	16.7	16.8	19.9	17.9	17.5	23.0	22.5	22.6	17.0	16.2	15.7
West North Central	7.6	7.1	6.3	6.5	9.2	7.5	6.7	8.3	7.9	7.9	8.1	7.7	7.6
South Atlantic	16.1	20.8	23.9	22.9	13.0	16.6	17.4	15.6	14.5	15.2	16.7	16.8	18.1
East South Central	6.6	8.9	8.2	8.5	6.2	6.0	6.4	6.0	4.9	5.2	6.8	6.0	6.4
West South Central	9.9	12.1	9.0	9.7	11.1	9.3	9.7	12.0	8.9	9.1	11.7	10.4	10.3
Mountain	5.0	5.2	4.1	4.4	5.9	5.4	5.5	4.4	5.0	4.8	4.6	5.6	5.7
Pacific	12.6	14.4	10.8	11.0	14.0	13.2	12.8	12.0	10.6	10.8	15.0	13.0	13.0
Other[2]	1.5	1.8	2.9	2.6	.2	.7	.9	.1	.5	.7	.1	.3	.2

[1] Male and female aged 17 to 21.
[2] Includes Puerto Rico, American Samoa, Guam, Canal Zone, and the Virgin Islands.

APPENDIX 3

DISTRIBUTION OF YOUTH POPULATION AND FISCAL YEAR 1979 ENLISTMENTS

[Total NPS]

State	Youth population[1]	Enlistments[3]				
		DOD	Army	Navy	Marine Corps	Air Force
Number (thousands)	21,666	315.8	129.3	79.6	40.2	66.6
Percent	100.0	100.0	100.0	100.0	100.0	100.0
New England	5.3	5.5	4.4	6.0	5.5	6.8
Maine	.5	.7	.6	.8	.5	.8
New Hampshire	.4	.5	.4	.5	.5	.6
Vermont	.2	.3	.2	.3	.2	.3
Massachusetts	2.5	2.4	2.0	2.7	2.4	3.0
Rhode Island	.4	.4	.4	.4	.5	.5
Connecticut	1.3	1.2	.8	1.3	1.4	1.6
Middle Atlantic	16.3	15.4	13.2	17.1	18.1	16.2
New York	7.7	7.3	6.6	7.5	9.0	7.7
New Jersey	3.3	2.8	2.2	3.6	3.3	2.5
Pennsylvania	5.3	5.3	4.4	6.0	5.8	6.0
East North Central	19.0	17.4	16.8	17.5	22.6	15.7
Ohio	5.0	5.3	5.4	5.0	6.2	5.0
Indiana	2.5	2.4	2.5	2.3	3.2	2.0
Illinois	4.9	4.2	4.5	3.7	6.0	3.3
Michigan	4.4	3.9	3.1	4.8	5.2	3.5
Wisconsin	2.2	1.6	1.3	1.6	2.0	1.9
West North Central	7.6	6.9	6.5	6.7	7.9	7.6
Minnesota	1.9	1.5	1.4	1.4	1.7	1.8
Iowa	1.3	1.1	1.1	1.0	1.3	1.1
Missouri	2.1	2.3	2.3	2.4	2.7	2.3
North Dakota	.3	.3	.2	.1	.1	.5
South Dakota	.3	.3	.3	.3	.4	.4
Nebraska	.7	.6	.5	.6	.9	.6
Kansas	1.0	.8	.7	.9	.8	.9

See footnotes at end of table, p. 30.

APPENDIX 3—Continued

DISTRIBUTION OF YOUTH POPULATION AND FISCAL YEAR 1979 ENLISTMENTS—Continued

[Total NPS]

State	Youth population [1]	Enlistments [2]				
		DOD	Army	Navy	Marine Corps	Air Force
South Atlantic	16.1	19.8	22.9	17.4	15.2	18.1
Delaware	.3	.4	.4	.3	.3	.3
Maryland	1.9	2.1	2.0	2.0	2.6	1.9
District of Columbia	.3	.5	.5	.3	.8	.2
Virginia	2.3	2.6	3.2	2.1	2.5	2.2
West Virginia	.9	.8	.8	.7	.9	.8
North Carolina	2.5	2.9	3.7	2.4	1.8	2.7
South Carolina	1.4	1.8	2.3	1.6	1.1	1.4
Georgia	2.4	3.2	4.1	2.8	1.7	2.7
Florida	4.1	5.5	6.0	5.2	3.4	6.0
East South Central	6.6	7.0	8.5	6.4	5.2	6.4
Kentucky	1.6	1.5	1.9	1.4	1.5	1.1
Tennessee	2.0	2.1	2.4	2.0	1.4	2.1
Alabama	1.8	2.2	2.7	2.0	1.5	2.0
Mississippi	1.2	1.2	1.5	1.0	.8	1.2
West South Central	9.9	9.6	9.7	9.7	9.1	10.3
Arkansas	1.0	1.2	1.3	1.2	1.1	1.2
Louisiana	1.9	1.6	1.7	1.7	1.4	1.4
Oklahoma	1.2	1.0	1.1	1.1	.9	1.1
Texas	5.8	5.8	5.6	5.7	5.7	6.6
Mountain	5.0	5.1	4.4	5.5	4.8	5.7
Montana	.4	.4	.3	.5	.3	.4
Idaho	.4	.4	.3	.5	.4	.5
Wyoming	.2	.2	.1	.1	.2	.1
Colorado	1.3	1.3	1.2	1.3	1.4	1.6
New Mexico	.6	.8	.7	.9	.8	.9
Arizona	1.2	1.3	1.2	1.4	1.2	1.5
Nevada	.3	.3	.3	.4	.3	.3
Utah	.6	.4	.3	.4	.2	.4
Pacific	12.6	11.9	11.0	12.8	10.8	13.0
Washington	1.6	1.6	1.4	1.8	1.6	1.8
Oregon	1.1	1.1	.9	1.5	1.0	1.2
California	9.3	8.5	8.1	8.9	7.8	9.1
Alaska	.2	.2	.1	.2	0	.2
Hawaii	.4	.5	.5	.4	.4	.7
Other [3]	1.5	1.4	2.6	.9	.7	.2
Puerto Rico	1.5	1.1	2.3	.5	.4	.2

[1] Male and female, aged 17 to 21.
[2] Nonprior service males and females.
[3] Includes American Samoa, Guam, Canal Zone, and Virgin Islands.

Senator NUNN. Generally speaking, in the volunteer area you have always had disproportionate numbers coming from the South with less from the Northeast?

Mr. PIRIE. That is true. It was true in the 1960's and is true now.

Senator NUNN. Was that true in the draft era also?

Mr. PIRIE. Yes.

Senator NUNN. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee and witnesses, for some time I have been concerned about current provisions of law which curtail the GI bill; namely, the bill will pay educational benefits only through 1989, and the best I can determine, that cutoff is going to work as an inducement for some of our career people to be leaving at the very time that we need them.

Now, putting aside the question of the jurisdiction of this committee over certain areas of it and so forth, I would like to have your official position on an amendment which was submitted to extend this deadline date, and I would like your personal opinion, should that be different from the Department.

Might I say, Mr. Secretary, it has been my pleasure here to work with you for some time, and I am knowledgeable of the fact that you were a strong supporter internally during the policy debate on the Nunn-Warner legislation, and I commend you for the support that you gave that legislation.

Senator NUNN. He also endorsed it in his personal view, before this committee.

Our frustrations, Mr. Secretary, are not aimed at you personally.

Mr. PIRIE. Thank you, Mr. Chairman.

Senator WARNER. Back to the GI bill——

Mr. PIRIE. You know the administration has not yet taken a position on that. The Defense Department will take a position supporting extension, but the decision is not yet made. We only see our own limited perspective. The addition of other perspectives may change it.

Senator WARNER. Do you mean the Manpower Department in the DOD or the whole DOD?

Mr. PIRIE. I am talking about the Department of Defense as a whole.

Senator WARNER. You are representing to me that if I or other Members of the Senate were to put forth a floor amendment for extension of this bill, the Department of Defense would not oppose it, in fact it might even endorse it; is that correct?

Mr. PIRIE. That would be consistent with the position that we have taken and documents that we have signed, but it is not a completed administration position.

Senator WARNER. In other words, OMB has not objected to that to other departments?

Mr. PIRIE. Yes, sir. As you are aware, the Veterans Administration has their own position on that.

Senator WARNER. Where is that decision timewise now? Has the Department of Defense officially sent in its recommendations to the White House?

Mr. PIRIE. I believe ours is committed. It was at the General Counsel last week.

General TICE. That is right. It should be in OMB now.

Senator WARNER. Would you kindly provide me with an accurate timetable as soon as you have it? Just give me a call at my office.

Mr. PIRIE. Yes, sir.

Senator WARNER. Any other features of your proposal to the White House on this other than extension?

Mr. PIRIE. What we have prepared, as we usually do on bills of this kind, is a draft letter to the Speaker and that letter runs to the reasons that the Defense Department sees as salient in taking the position that we do, which is simply to extend this.

The reasoning says that for the exact reasons you brought out, Senator, it is looked upon as a disincentive for people in the middle of their careers to stay in.

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Senator WARNER. Your endorsement goes only to the date 1989 and extension for some period. Does it go to the number of months, the amount of money?

Mr. PIRIE. It does not go to any other feature.

Senator WARNER. In your testimony you stated that you would be submitting technical amendments to the Nunn-Warner legislative proposal. I have a sheet of paper here which bears no identification but it appears to be a technical amendment.

Have you submitted to the committee in this hearing your proposed technical amendments?

Mr. PIRIE. I have not, Senator. We are not completely through with that. I think I can probably let you know what our present thinking is.

It is, first, that there should be an amendment which would permit the payment of a variable housing allowance, station housing allowance, to individuals who are separated from their families where the families continue to reside in a high-cost area. That is just a technical improvement to broaden the scope.

Senator WARNER. In other words, you regard what you have in mind as being an enlargement of the benefit and in no way a curtailment?

Mr. PIRIE. That certainly is an enlargement. We are somewhat doubtful about the provision of the 15 percent number as being the appropriate number and in some versions we are discussing, the number, whether it be 110 or 115 or whatever, would be left to the discretion of the Secretary of Defense.

There is a provision which would require us to do a survey.

Senator WARNER. Let me interrupt. On the 15 percent you are still considering some adjustment to that. Will you personally notify me whenever you make the decision that goes forward?

Mr. PIRIE. I will.

Senator WARNER. Now, you are going to submit another proposed technical amendment?

Mr. PIRIE. Yes. I believe somewhere in the language is a provision which would have us make a paygrade-by-paygrade housing survey. That we believe would be cumbersome and not make a particular improvement over a housing survey that would just relate to officers or enlisted men. So we would propose, I think, to have the split just that way rather than pay grade by pay grade.

Senator WARNER. Mr. Secretary, certain provisions of the Fair Benefits package provide BAQ options for E–7 and above. Is it your concern that there the Navy is not being treated equitably? Are you aware of this problem?

Mr. PIRIE. No, I am not. It seems to me that this particular provision is not specific as to service. What it would provide is that the individuals might choose rather than live in BAQ's, bachelor housing on base, might choose if they were in the appropriate senior categories to live off base and draw the basic allowance for quarters.

Senator WARNER. I am familiar with what you are proposing, but there seems to be a problem with section 403, in that it prevents personnel without dependents from receiving BAQ at a time of duty aboard ship. Would you look into this?

Mr. PIRIE. Yes, I will. I am not aware of any difficulty there.

We do have a provision that would prevent individuals from drawing this BAQ—I am sorry—I am thinking of the shipboard provisions. I will look into that, Senator.

Senator WARNER. Are there any Navy people with you?

Mr. PIRIE. I have no Navy staff here.

Senator WARNER. No one else is familiar with this problem? You will look into it?

Mr. PIRIE. I will.

Senator NUNN. Our staff has alerted me to that problem. The thinking is that it is going to be a disincentive to the Navy.

Senator WARNER. The Secretary has represented he is unaware of the problem, but he will look into it and report back to the committee.

Thank you, Mr. Chairman.

[The information follows:]

We have reviewed the Navy proposal and believe that it is compatible with the proposed legislation to allow servicemembers in grade E–7 and above to select BAQ vice living in assigned quarters. Currently, Navy members below the grade of O–4 who have no dependents and who are assigned to sea duty are not entitled to a BAQ. We believe that the traditional view, that the ship is the sailor's home, has prevailed in the case of our bachelors. The Navy argues that E–7 and above are essentially the core of its career force, and they ought to be permitted to lead lives that allow for a lifestyle ashore that is comparable with both their married contemporaries and their civilian counterparts. Now, of course, these Navy E–7/above can live ashore, without benefit of a BAQ. The specifics of the Navy proposal are that BAQ accrues to Navy personnel assigned to forces afloat provided that the unit to which the member is assigned will be in its home port, or will not be absent from its home port for any period of time in excess of 90 days. In cases where the unit deploys for a period of time greater than 90 days the entitlement ceases. We believe this to be a reasonable proposal, and consequently we support it.

Senator NUNN. Mr. Secretary, I want to repeat to you again that I would hope you get the Secretary of Defense and OMB—and I will direct the staff to get a letter to both the Secretary of Defense and the Office of Management and Budget—and ask them to submit to us jointly as soon as possible their exact position, the administration's position, on this $700 million, and whether we should consider it to be part of what should be absorbed.

You see, this impacts the other part of our markup. We are marking up the authorization bill this week. Are we going to have the President's position be that this $700 million be absorbed in addition to what he has already said should be absorbed—in other words, we started in December and we go to the January budget; there is a certain amount of absorption there in the 1980 budget and in the 1981 budget, which contradicts what he said in December.

Then we go to the March budget; there is more absorption there in the 1980 budget and the 1981 budget. If you add that absorption to the March absorption, you have seen a rather significant erosion of the December budget position.

Then the President went further than that. When the House considered the fiscal year 1981 budget resolution, the administration endorsed the Obey amendment. I don't know if it was official, but it was in an official letter from the President. The Obey amendment was below both the January budget and the March budget. That means that we have seen a three-tier deescalation of the December budget by the time the Obey amendment passed.

Then we had the President go to the *Nimitz* and implicitly endorse a higher level, saying he endorsed $1 billion more. Then he came right back and was against the budget resolution which would have funded his own budget. In the meantime, he sent a letter to Senator Stennis saying he was against the House proposal.

All of those things, frankly, are baffling. What we need from the Secretary of Defense and the Office of Management and Budget is an explicit statement on this $700 million and where it is going to come from and whether the Secretary of Defense intends to submit a supplemental. He said he is going to wait on the appropriation process. The appropriation process depends to some extent on what the Secretary of Defense's position is on this and the authorization process does also.

Would you please submit that request to the Secretary of Defense and I will ask staff to also put it in writing to the Secretary of Defense and the Office of Management and Budget?

Mr. PIRIE. Yes, sir; I will forward that.

[Information follows:]

FUNDING FOR FAIR BENEFITS

With respect to the question of funding the total package, rather than submit a fiscal year 1980 supplemental or fiscal year 1981 budget amendment at this time, it would be preferable to wait until the Congress has acted on legislation to establish the timing and scope of benefits and on the pending budget resolution, authorization and appropriations. At that time, we will be in a much better position to estimate costs more precisely and to recommend to the President any necessary offsets in Defense programs and financing. The President will also be in a better position to consider proposals in the context of overall budget balance.

Senator NUNN. Do you understand the basis for that?

Mr. PIRIE. I understand the problem.

Senator NUNN. Senator Cohen, do you have any more questions at this point? If you do, I will defer to you. I have a good many more questions.

Senator COHEN. I would like to come back to the inconsistency point.

Senator Nunn pointed out that if we add the money the President mentioned in his statement on the *Nimitz*, you have indicated that the President might very well in essence, reprogram that money. Perhaps we have not clarified exactly the nature of the process.

When the President submits the budget, it is not the President's budget that gets passed. Congress has the authority, the only constitutional authority, to appropriate the money. If Congress decides to appropriate the money that is necessary to pay for what the President says he supports, there is no way the President can reprogram that money or reallocate it to some other function. He can veto that appropriation, but he certainly has no authority to put it in what you said, in some other area.

There is no other area he could put it into. That is something that only Congress can determine. I think that was not clear from our last exchange.

Mr. Chairman, what bothers me is this—Congress is taking what the secretary has suggested would be a nice thing to do, all things being equal, and we are making all things equal by appropriating, at least authorizing, the money that is necessary to pay for things the President said in the last report, he was in favor of.

We get an indication that that would be opposed by the administration. I think it is totally irreconcilable. I appreciate the pressure that the witness is under in terms of supporting what the President says; that is a virtually impossible task to do.

Let me go back to the aviation bonus legislation. It is my understanding that DOD submitted a legislative proposal to OMB some time ago calling for an increase in incentive pay for aviators in addition to authorizing bonuses for aviators.

Is that your understanding?

Mr. PIRIE. We have submitted such a proposal.

Senator COHEN. When did you submit that proposal to OMB?

Mr. PIRIE. The proposal was submitted several months ago, in January.

Senator COHEN. What were the specifics of the proposal specifically relating to flight pay?

Mr. PIRIE. The specifics of the proposal were a 50-percent increase in——

Senator COHEN. I am sorry. I could not hear you.

Mr. PIRIE. A 50-percent increase in aviation incentive pay, that is, flight pay. This continuation bonus was also part of the proposal.

Senator COHEN. It appears to me that the 25-percent increase that is contained in the Nunn-Warner bonus provisions which you are advocating in addition to the additional compensation, still leaves a 25-percent shortage in flight pay.

How did you go from 50-percent plus continuation of bonus down to 25-percent?

Mr. PIRIE. As I say, the Nunn-Warner proposal pre-empted the Defense Department's bill. I believe—and here I am only speculating—I believe the Office of Management and Budget wished to see the culmination of the 25 percent in Nunn-Warner before making further decisions on forwarding the 50-percent increase.

Senator COHEN. Stop right there. In other words, what you are saying is that while the administration supports a 50-percent-flight-pay increase, you are undercut by action taken by this committee that would confine it to 25 percent?

Mr. PIRIE. No, that is not the case, Senator Cohen. The 25 percent came along effective both in fiscal 1980 and 1981. There was some question about whether that plus a continuation bonus was not an appropriate first step, and that it is an appropriate first step that has been at least resolved for now.

The 50 percent in the long run may not be the right number. We do not know that now.

Senator COHEN. I still don't know what your answer is.

Do you intend to support a 50-percent increase in flight pay if Congress should so vote?

Mr. PIRIE. That would have to be decided after the vote or during the process if we are asked for our opinion.

At present, the administration supports 25-percent increase in flight pay.

Senator COHEN. What has changed between your submission to OMB of 50 percent as being necessary to keep pilots—and I won't take the time to go through it, but I have a ream of papers here talking about loss of Navy pilots and principal causes for the losses—but what has changed your opinion from 50-percent increase in March? Here we are on June 2, and we are now down to a 25-percent support? What has changed? Has the rate of retention increased?

Mr. PIRIE. We have seen some slight improvement in the rate of retention. That is not the driving cause. The administration has not come to a conclusion and has not submitted a bill including the 25-percent increase.

The administration will support 25 plus continuation bonus and we may in the future come in for more; we may not. That decision has to be made in the future.

Senator COHEN. I still don't know what has changed, taking you down from 50 percent. Frankly, the statistics I have are that in fiscal 1979 you were talking about a retention rate of 31 percent, in fiscal 1980 it had dropped to 28 percent. Now you are suggesting, well, it has improved and therefore we have slipped from 50 percent flight pay bonus down to 25 percent. What has changed?

Mr. PIRIE. As you know, Senator, the administration has not submitted this aviation incentive legislation, so nothing has changed.

Senator COHEN. Wait a minute. I want to know what you submitted to OMB.

Mr. PIRIE. Defense submitted a law to OMB that has certain characteristics. That law has not yet been submitted by the administration to the Congress.

Senator COHEN. In other words, you came up with a proposal that you felt had merit in terms of dealing with this problem of retention of pilots, and that went to OMB. It has not been submitted to Congress and therefore you feel that you can safely or wisely now come to Congress and support 25 percent?

Mr. PIRIE. That is correct.

Senator COHEN. That is what I thought.

I have some other questions, Mr. Chairman. Let me see if I can do it another way.

If an amendment is offered to increase the flight pay to 50 percent, will you oppose it or support it?

Mr. PIRIE. I can't tell at this point, Senator.

Senator COHEN. Why not?

Mr. PIRIE. Because I speak only for my part of the Defense Department.

Senator COHEN. Which is what?

Mr. PIRIE. I am the Assistant Secretary for Manpower, Reserve Affairs and Logistics. If such a proposal comes to us for comment, it will be staffed by the Defense Department. The Defense Department's proposed response will be submitted to the Office of Management and Budget for clearance. I cannot tell at what phase opposition will be encountered or what will be the outcome.

Senator COHEN. Who is your superior in terms of manpower?

Mr. PIRIE. Secretary Brown and his Deputy.

Senator COHEN. So, when we talk about above your pay scale, there are not too many above your pay scale. You are second in command in terms of the deputies. Only Secretary Brown is higher than you?

Mr. PIRIE. That certainly sounds exhalted in status and may well warrant the payraise you were proposing for me earlier.

Senator COHEN. We may tie it into the 11.7 we are recommending for the others.

Mr. PIRIE. If you raise your own pay, I will be glad to go along with you, Senator.

Senator COHEN. I don't think you will see a congressional pay raise, but we will do our best for those in the military.

I have some other questions, Mr. Chairman, that I will submit in writing. I suspect the answers will be roughly the same.

Senator NUNN. Mr. Secretary, the President endorsed a new legislative proposal to provide dental benefits to military dependents under CHAMPUS that will cost $110 million in fiscal year 1981. You said that proposal will be submitted to Congress this week?

Mr. PIRIE. Yes.

Senator NUNN. Is this something that DOD has been working on for some time?

Mr. PIRIE. Yes; it has, this and general improvement in CHAMPUS, including general delivery of the benefits.

Senator NUNN. We get some complaints on the present CHAMPUS benefits, so I wonder about extending the program in a rather significant way during a period of time when it does not seem to me we have learned to deliver the service effectively under the present system. Does that give you pause about extension of the CHAMPUS program now?

Mr. PIRIE. No; I think these benefits are both warranted and I think we can administer them successfully. My information is that we have been making a fair degree of improvement in the delivery of the CHAMPUS benefits and administering them. I would expect we can continue that and give these benefits successfully.

Senator COHEN. Could we find out when you submitted that proposal for the dental plan to OMB and when OMB approved it?

Mr. PIRIE. This is health affairs, rather than personnel or manpower, but that one I do not believe has yet cleared OMB. My information is that we submitted it this morning.

Senator COHEN. Has it received approval today, too?

Mr. PIRIE. I am not certain, Senator.

Senator NUNN. The President has already endorsed it. Unless we have a reversal, which would not be unprecedented, is this dental benefit package going to enhance retention, enhance recruitment, or both?

Mr. PIRIE. I think, Mr. Chairman, that it will be significantly stronger in the retention area rather than in the recruiting area overall, although, as you know better, retention leads in the end to better recruiting because of the general improvement of the appearance of the force.

Senator NUNN. Do you anticipate this will also go to civilians under an insurance program? Isn't it almost inevitable that we are going to see this go to civilians also?

Mr. PIRIE. I am not in a position to say. Of course, CHAMPUS funds only military personnel, active and retired.

Senator NUNN. I understand that, but the Government does pay about 60 percent of the civilian insurance which does not now cover benefits of a dental nature. I am saying that it seems to me that it will be eventually expanded to civilians, or at least there will be a lot of pressure along that line. You are not proposing that now?

Mr. PIRIE. We are not indeed proposing that, Senator. In fact, it had not occurred to me.

Senator NUNN. Mr. Secretary, I am considerably concerned and have been for some time about the structure of military pay. As I

understand it, a new enlisted recruit—this is not talking about cost-of-living increases but strictly increases based on longevity and promotion—entering the military can expect pay raises that average 7.7 percent per year in his first 6 years of service, based on promotion and longevity step increases built into the pay table. That is over and above whatever the cost-of-living increase is. Between the 6th and the 12th year of service, military personnel can expect an increase that averages 1.3 percent per year. Are you familiar with those figures?

Mr. PIRIE. I am not familiar with them, Senator. I have not done that analysis.

Senator NUNN. It looks to me that this is the heart of the retention problem right here. We have had a massive frontloading of the military pay system. I am not suggesting E–1's to E–6's are overpaid, but if you consider the relative pay and the relative rate of increase of E–1's to E–6's, it is apparent to me why we are losing so many people above the E–4, E–5, and E–6 categories.

If you can look forward to only 1.3 percent increase per year after the first 6 years while during the first 6 years you are getting 7.7 percent increase above the cost of living, then in your most productive and experienced years, the military pay system is perversely biased, it seems to me.

Would you agree with that?

Mr. PIRIE. Without having done the analysis and not being perfectly sure of the basis of the figures, it is perfectly plain, Senator, that maintaining a reasonable expectation of raises and that kind of thing for our mid-career people is quite important, and the slope of the pay line is important. That is one of the things that we worry about with pay compression when we have it. So I would certainly agree with you to that extent.

Senator NUNN. General Tice?

General TICE. I have seen that analysis. I think the percentage figures that you quote are correct, because we see in the first 6 years individuals going from E–1 all the way to E–4, E–5. When you add in the increase pay associated with those promotions that come rather rapidly—in fact, in the Army they make E–4 with 2 years of service—the percentage of increase is great, but the entry pay level with what they start is still not substantial.

Senator NUNN. On a historical basis it is substantial.

General TICE. Yes. I would agree with you, Mr. Chairman.

One of the things in compensation we have examined is the step in grade options that would have a normal glide path to the middle years of service with an increase in salary.

We have done some analysis on that.

Senator NUNN. The same thing is true for officers. A new officer will receive promotions and longevity increases that will average 17.7 percent per year in his first 4 years of service, but between the 4th and 10th year of service, his average pay increase is only 1.8 percent.

Mr. PIRIE. Using the same base, that is correct.

Senator NUNN. Has this come about in the last 4 or 5 years or has this been true for a long period of time?

Mr. PIRIE. I think it has been substantially true for a long time. It would be greater for the earlier years of service when you have a rapid turnover because then the promotion opportunity increases to

Senator NUNN. Does this suggest, particularly on the retention problem, that if we give the full cost-of-living increase this year that we ought to allow some discretion in the Department of Defense as to how to allocate that?

Mr. PIRIE. Yes, sir, I think it would tend to support that.

Senator NUNN. Senator Tower has made two proposals regarding pay. The first would require the President to increase military pay by the full amount of the comparability pay increase even if Federal civilians received the pay cap for fiscal year 1981. I happen to favor that proposal and have so stated several times.

The second proposal is to allow the military pay raise to be reallocated by the President by grade or years of service. What is your view of that proposal?

Mr. PIRIE. As you know, Mr. Chairman, to take the reallocation provision first, that is a feature of the retirement benefit factor that the President has proposed. That authority is desirable although I might say that the entire benefit factor is desirable, we prefer to have it all rather than part of it.

With respect to the limitation of the pay cap simply to civilian employees, the issue here is one of the appropriateness of such an across-the-board increase. I am not in a position to advocate that. As you know, our proposal is that in the Federal Employees Compensation Reform Act to sever civilian pay and to allow the military pay to rise to the extent that the PATC index rises in fiscal 1980, we estimate it will be 7.4 percent. It might be more.

Senator COHEN. Senator Tower's proposal is not in effect an across-the-board pay raise but to give the President the ability to target selectively a raise to those areas where the skill and competence is needed. You seem to suggest in your remark that you felt it was an across-the-board pay raise which I don't believe is inherent in the Tower proposal.

Mr. PIRIE. The two working together are I would say less objectionable and more acceptable than the across-the-board pay raise.

Senator COHEN. You would tend to support the selectivity approach?

Mr. PIRIE. Without necessarily supporting the additional increase.

Senator COHEN. Thank you.

Senator NUNN. Mr. Secretary, what would be your personal advice regarding reallocation? If you did have an additional amount of money and you had the discretion to allocate it the way you wanted to on pay, what would be the general thrust of your own personal advice to the Secretary of Defense?

Mr. PIRIE. The question is a little difficult for me to answer, Senator, but let me put it this way. I perceive that we do indeed have more severe problems with mid-career people than we have elsewhere and indeed that was the thrust of the advice arising from our pay adequacy study. So that I would advise him I think that our mid-career personnel as a matter of priority should receive preferential treatment.

Senator NUNN. The mid-career personnel?

Mr. PIRIE. Yes, sir.

Senator NUNN. In recent weeks, there has been a lot of discussion about military pay. There have been a lot of different standards. Secretary Laird, in the Pay Adequacy Study, used the Consumer Price Index. Comparison has been made of recruits with the minimum wage. Current law sets the increase in military pay to be equal to the ade-

parison should be with production workers. Everybody is off on their own standard. We have one law that is generally being ignored by everyone, including those who are doing the survey and analysis.

What do you think the proper comparison to military pay should be?

Mr. PIRIE. The professional, administrative, technical, clerical index which we use now to measure comparability for Federal white collar workers and therefore for our military personnel seems to me to be about as appropriate an indicator as one can find.

With respect to treating the military as blue collar workers I am not certain, not having done the analysis, I would not want our military pay scale adjusted in the same way as Federal blue collar wages, that is, by local boards whose rules, because of some problems in their formulation, produce overall increases more than 8 percent higher than comparability increases.

Senator NUNN. You think the present law is adequate regarding that?

Mr. PIRIE. Yes; Senator, I have not seen a compelling reason why that index should be replaced. Since the history of the past 7 years is one of successive pay caps I don't think we know. Since we have not tried the index I don't think we have a basis for making a judgment whether it works or not.

Senator NUNN. If we don't have a pay cap this year, what will the military pay raise be, based on current law?

Mr. PIRIE. I think our calculation is somewhat less than the 11.7 percent. Maybe I didn't understand the question.

Senator NUNN. If we have no pay cap this year, what would be the military pay raise?

Mr. PIRIE. If we do indeed tie military pay to the rise in the PATC this year, the rise would be 11.7 percent.

Senator NUNN. What is the cost of that?

Mr. PIRIE. The differential cost over 7.4 or 8.2. We can provide that for the record.

Senator NUNN. Please provide the total cost and differential cost for the record.

Mr. PIRIE. Yes, sir.

[The information follows:]

COST OF FISCAL YEAR 1981 MILITARY PAY RAISE

[Dollar amounts in billions]

Assumed pay raise percentage	Cost of raise [1]	Differential cost compared to 7.4 percent raise
7.4	$1.997	
8.2	2.213	+$0.216
11.7	3.157	+1.160

[1] Assumes no absorption, fiscal year 1981 budget includes absorption of $872,690,000.

Senator NUNN. Senator Warner?

Senator WARNER. Mr. Secretary, the Marine Corps PLC program has been a very successful one. I am a graduate of some 30 years ago. I understand that program is subject to termination because there has been no extension of the law. Are you familiar with that problem?

Mr. PIRIE. I am not, Senator. I will look into it and get back to you.

[The information follows:]

POSSIBLE TERMINATION OF MARINE PLC PROGRAM

The Platoon Leaders Class (PLC) program, the primary source of commissioned officers for the Marine Corps, is not subject to termination. The statutory authority for the PLC program remains in force. However, an important aspect of the program authorized under separate law is subject to termination. Members of the PLC program are currently authorized to receive a subsistence allowance at the same rate as NROTC students ($100 a month) and the authority to pay the allowance, Public Law 95–485, expires 30 September 1980. The Marine Corps has actively sought to obtain permanent statutory authority to pay the allowance since 1971, when it was first approved for eligible members of the PLC program. Despite this effort, the Marine Corps has had to rely on temporary authority and its frequent renewal since that time to continue paying the allowance. Since the PLC program provides the Marine Corps with nearly 50 percent of its officer accessions, it considers continued authority to pay the allowance essential in order to compete effectively for those students who have the aptitude and the ability sought in career officers.

Senator WARNER. Mr. Chairman, I would like to lay before the committee a proposed amendment to extend that time, if counsel will provide the witnesses with a copy of the amendment.

Thank you, Mr. Chairman.

Senator NUNN. Without objection.

Senator WARNER. Could the Chair inquire as to whether or not the witness has copies of Senator Tower's letter to the Chairman together with amendments? If not, I can give you a copy.

Mr. PIRIE. I was given a copy about 15 minutes ago but I have not had an opportunity to read it yet.

Senator WARNER. Thank you, Mr. Chairman.

Senator NUNN. We would like to get your comments.

Mr. PIRIE. Yes, sir.

[The information follows:]

Senator Tower has introduced two amendments. One would give the President discretionary authority to differentially allocate the military pay raise by grade and longevity step. Our retirement reform legislation contains the same provision and, therefore, we would support giving the President such discretionary authority. DOD would prefer, however, that the entire retirement reform bill be passed by Congress rather than breaking out this particular provision for separate consideration.

The second Tower amendment would provide for an October 1980 military pay raise equal to the raise that would be provided General Schedule (GS) employees if the President would not submit an alternative pay raise plan. The civil service pay reform legislation now pending in Congress would delink military and GS pay raises. The DOD supports that legislation and our budget estimates for fiscal year 1981 are based on the assumption that the military pay raise (7.4 percent) will be higher than the GS raise (6.2 percent). In the event that this legislation does not pass before the October pay raise but the President limits the GS raise to that which would have resulted under the pay reform bill (6.2 percent), we would support legislation that would enable the President to give military personnel a raise different from that received by the GS. At this point, however, we do not believe that the President should be locked in to a particular figure. He should have the latitude to make that decision after considering a number of factors, among them the results of the Professional, Administrative, Technical and Clerical (PATC) wage survey, his wage guidelines program, budget impact, the state of military recruiting and retention, and the general economic conditions existing at that time

Senator NUNN. Senator Jepsen, do you have any questions?

Senator JEPSEN. Very briefly, Mr. Chairman. Thank you.

Mr. Secretary, if you have given this information please advise me because I have been in and out. Do we have a breakdown of the numbers to reflect the differences between the first and second quarter enlistments?

Mr. PIRIE. I have not given those numbers. I believe that my present displays here have those. They are aggregated together. I will have to provide them for the record.

Senator JEPSEN. Will you provide those for the record?

Mr. PIRIE. Yes.

[The information follows:]

ENLISTED ACCESSIONS

DECEMBER ENLISTMENT SUMMARY

QUARTERLY

Service	Fiscal year 1980 through December 1979			Fiscal year 1979 through December 1978		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Enlisted accessions, all sources:						
Army	40,500	38,200	94	24,700	23,100	94
Navy	21,900	21,500	99	21,700	18,400	85
Marine Corps	9,100	7,900	88	9,600	8,200	86
Air Force	16,800	16,800	100	15,800	15,100	95
DOD total [1]	88,200	84,400	96	71,900	64,900	90
Nonprior service accessions, male:						
Army	33,300	28,800	86	19,200	17,400	90
Navy	17,300	16,700	97	17,900	14,900	83
Marine Corps	8,200	7,000	85	8,600	7,500	87
Air Force	12,700	12,700	100	12,100	11,400	94
DOD total [1]	71,500	65,300	91	57,900	51,100	88
Nonprior service accessions, female:						
Army	4,450	5,860	132	3,300	2,990	91
Navy	2,770	2,840	102	2,000	2,020	101
Marine Corps	480	450	95	500	470	94
Air Force	3,450	3,450	100	3,470	3,440	99
DOD total [1]	11,140	12,590	113	9,270	8,920	96
Prior service admissions:						
Army	2,700	3,510	130	2,200	2,740	125
Navy	1,830	1,960	107	1,800	1,630	85
Marine Corps	390	510	131	540	320	58
Air Force	610	610	100	250	250	100
DOD total [1]	5,530	6,580	119	4,790	4,840	101

[1] Numbers may not add due to rounding.

DECEMBER ENLISMENT SUMMARY

QUARTERLY

NONPRIOR SERVICE ACCESSION—MALE AND FEMALE

Service	Fiscal year 1980 through December 1979		Fiscal year 1980 through December 1978	
	Number	Percent	Number	Percent
High school diploma graduates:				
Army	15, 500	45	13, 400	66
Navy	12, 300	63	12, 100	72
Marine Corps	4, 600	62	5, 100	64
Air Force	12, 800	79	12, 200	82
DOD total [1]	45, 200	58	42, 800	71
Mental category IV's:				
Army	2, 860	8	1, 800	9
Navy	410	2	380	2
Marine Corps	260	3	270	3
Air Force	9	(2)	30	(2)
DOD total [1]	3, 530	5	2, 470	4
Blacks:				
Army	11, 370	33	7, 470	37
Navy	2, 720	14	2, 390	14
Marine Corps	1, 800	24	2, 170	17
Air Force	2, 880	18	2, 540	27
DOD total [1]	18, 770	24	14, 570	24

[1] Numbers may not add due to rounding.
[2] Less than ½ of 1 percent.

MARCH ENLISTMENT SUMMARY [1]

QUARTERLY

Service	January–March 1980			January–March 1979		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Enlisted accessions, all sources:						
Army	40, 700	42, 400	104	33, 600	30, 400	91
Navy	22, 900	23, 600	103	20, 300	19, 400	96
Marine Corps	9, 900	9, 000	91	10, 400	8, 700	83
Air Force	18, 500	19, 100	103	15, 900	15, 600	98
DOD total	92, 100	94, 100	102	80, 300	74, 100	92
Nonprior service accessions, male:						
Army	32, 400	33, 900	104	25, 200	23, 800	94
Navy	18, 000	18, 200	101	16, 500	15, 600	95
Marine Corps	8, 900	7, 800	89	9, 300	7, 800	84
Air Force	13, 500	14, 000	104	11, 900	11, 600	97
DOD total	72, 800	73, 900	102	62, 800	58, 700	93
Nonprior service accessions, female:						
Army	4, 870	4, 640	95	5, 210	2, 980	57
Navy	2, 920	2, 980	102	2, 080	2, 100	101
Marine Corps	610	560	92	600	520	86
Air Force	4, 020	4, 010	+99	3, 800	3, 800	+99
DOD total	12, 410	12, 200	98	11, 690	9, 400	80
Prior service accessions:						
Army	3, 440	3, 960	115	3, 180	3, 640	114
Navy	1, 920	2, 360	123	1, 800	1, 760	98
Marine Corps	470	620	134	540	340	63
Air Force	1, 010	1, 010	100	250	250	100
DOD total	6, 830	7, 950	116	5, 780	5, 990	104

[1] Numbers in all tables may not add due to rounding.

MARCH ENLISTMENT SUMMARY

QUARTERLY

NONPRIOR SERVICE ACCESSIONS—MALE AND FEMALE

Service	January–March 1980		January–March 1979	
	Number	Percent	Number	Percent
High school diploma graduates:				
Army	15,700	41	15,100	57
Navy	13,900	66	11,900	68
Marine Corps	5,600	67	4,900	59
Air Force	14,300	79	12,100	79
DOD total	49,600	58	44,100	65
Test score category IV's:[1]				
Army	2,630	7	2,080	8
Navy	490	2	460	3
Marine Corps	210	2	230	3
Air Force	20	(2)	20	(2)
DOD total	3,350	4	2,800	4
Blacks:				
Army	9,850	26	9,350	35
Navy	2,530	12	2,370	13
Marine Corps	1,560	19	2,010	24
Air Force	2,590	14	2,500	16
DOD total	16,540	19	16,230	24

[1] All DOD reported aptitude test scores are currently subject to uncertainty. The percentages of enlistees with reported test scores in category IV may actually be higher than those shown if preliminary findings from studies now in progress prove valid.
[2] Less than ½ of 1 percent.

Senator JEPSEN. And also could we have a breakdown of the first and second quarter differences for the Army only on new enlistments or, as they call them now today, male accessions, and new enlistments for females?

Mr. PIRIE. Yes.

Senator JEPSEN. Or can you give me that now?

Mr. PIRIE. I have the data for the first 6 months all aggregated together for fiscal 1980 if you would like that.

Senator JEPSEN. Yes. And I would like it broken down for the sake of information now that might generate further questioning. Can you give me that breakdown?

[The information follows:]

RECRUITING RESULTS

	Objective	Actual	Percent of objective
1st quarter fiscal year 1980:			
Male nonprior service	33,300	28,800	86
Female nonprior service	4,450	5,860	132
2d quarter fiscal year 1980:			
Male nonprior service	32,400	33,800	104
Female nonprior service	4,870	4,640	95

Note: Numbers in all tables may not add due to rounding.

Mr. PIRIE. I can give you the first 6 months. With respect to females, non-prior-service accessions, the Department of Defense objective was 23,550 for the first 6 months of fiscal 1980. The actual results were 24,780 or 105 percent of the objective.

What other categories?

Senator JEPSEN. On the male.

Mr. PIRIE. With respect to the males the Department recruited 139,200 against an objective of 144,300. That is 96 percent of the objective.

Senator JEPSEN. Can you give me the percentage of those males who were high school graduates?

Mr. PIRIE. Yes. The percent of those is 58 percent for the Department, Senator.

Senator JEPSEN. Males?

Mr. PIRIE. No. That is all. I am sorry. I don't have it broken down male-female with respect to high school graduates.

Senator JEPSEN. Will you provide that for the record?

Mr. PIRIE. I will be glad to.

[The information follows:]

NPS ACCESSIONS, HIGH SCHOOL DIPLOMA GRADUATES

	Fiscal year 1980 through March		Fiscal year 1979 through March	
	Number	Percent	Number	Percent
Male:				
Army	23,400	37	22,600	55
Navy	21,300	61	20,400	67
Marine Corps	9,200	62	9,000	59
Air Force	21,100	79	18,500	81
DOD total [1]	75,100	54	70,500	64
Female:				
Army	7,600	73	6,000	100
Navy	4,900	84	3,600	88
Marine Corps	1,000	99+	1,000	99
Air Force	6,000	80	5,800	80
DOD total	19,500	79	16,400	89

[1] Number may not add due to rounding.

Senator JEPSEN. Until just recently during most of the 6 months wasn't high school graduation required of the females?

Mr. PIRIE. The Army and Air Force do not have rules that require females to be high school graduates. The Navy requires either a high school diploma or an equivalency certificate, while the Marine Corps requires a high school diploma for female enlistees.

Senator JEPSEN. At any time during the last 6 months there was not that requirement?

Mr. PIRIE. The current Air Force and Army policies have been in effect for all of the last 6 months.

Senator JEPSEN. For the record I would appreciate it if you would provide the breakdown of high school graduates, male and female.

[Information previously provided.]

Senator JEPSEN. That is all I have, Mr. Chairman. Thank you.

Senator NUNN. Senator Cohen?

Senator COHEN. I am happy to hear Senator Jepsen ask those questions because, on the summary of enlistments that we have, most of these are broken down by virtue of male and female. The fact of the matter is that there are higher percentages of female than male high school graduates. I think that should be pointed out.

Also, Mr. Chairman, I would like to introduce for the record a copy of Senator Tower's letter and a copy of Secretary Brown's Fair Benefits press release.

Senator NUNN. Without objection,

[The information follows:]

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., May 30, 1980.

Hon. SAM NUNN,
Chairman, Subcommittee on Manpower and Personnel, Senate Armed Services Committee, U.S. Senate, Washington, D.C.

DEAR SAM: Extensive testimony from the Joint Chiefs of Staff and other witnesses indicates that military manpower has become the most serious problem facing our Armed Forces. In particular, the Services are having increasing difficulty in retaining highly trained and experienced career personnel. The ability of the United States to maintain a high level of readiness in its combat forces has beeen called into question increasingly by shortages in key skilled areas.

Inadequate military compensation is a major reason why mid-level officers and non-commissioned officers abandon their military careers to reenter the civilian economy. I recognize that inadequate pay, benefits and allowances are not the sole reasons for the military retention difficulties. I recognize also that increased pay and allowances alone will not resolve all of the military manpower problems. I do believe, however, that military compensation more competitive with the private sector and government employment is necessary.

I am persuaded that a straight "across-the-board" pay increase is not the most cost-effective means to address inadequacies in present military compensation, but I do believe that a failure to obtain comparability between military pay grades and comparable civilian skills will continue to contribute to the flight from military service of crucial career military personnel. I strongly support the Warner/Nunn benefits and allowances package as well as other Department of Defense legislative proposals designed to correct problems and inequities in the current benefits and allowances structure. These measures alone, however, cannot solve the retention problem as long as comparability with the private sector does not exist.

During full committee markup on May 29 I introduced an amendment which would permit the President to grant annual "comparability pay increase for the military in a manner other than "across-the-board." The administration has requested this authority in its legislative proposal for Uniformed Services Retirement Benefits Act submitted July 18, 1979. This proposal would give the President authority to reallocate up to 25 percent of any annual comparability pay adjustments among basic pay grades and longevity steps. It would give the President the flexibility to give each pay grade that pay increase necessary to maintain comparability without giving other pay grades raises greater than is necessary to maintain comparability. This flexibility would also permit some restructuring of military pay schedules gradually to reduce "pay compression" which has had an adverse impact on retention of career personnel. This proposal would not otherwise affect current law nor would it change the President's authority to submit an alternative plan which would "cap" annnual comparability pay increases.

In the President's fiscal year 1981 Defense Budget Request he had budgeted a 7.4 percent comparability pay increase, however, in the Senate's First Concurrent Resolution it it is anticipated that an 11.7 percent pay increase will be necessary to retain comparability. I believe that anything less than a full comparability pay increase would send the wrong signal to our citizens in uniform and would have a harmful effect on the retention of key personnel. I believe that no pay cap should be applied to the military comparability pay increase this year and that that pay increase should be allocated accordingly among pay grades and longevity steps as necessary to maintain comparability at each level.

Toward these ends, I wish to propose two amendments. The first, introduced by me last week, would permit the President to reallocate comparability pay increases among pay grades and longevity steps. The second would mandate that the annual comparability pay increase for military personnel this year shall be the overall percentage increase which would have been in effect on or after October 1, 1980 if the President were not to transmit an alternative pay plan to the Congress.

I hope that the subcommittee will examine these amendments during its consideration of military compensation measures which will be recommended for incorporation with the Defense Authorization bill. I believe that these two amendments together are necessary to insure that the required military force structure is manned with qualified personnel led by trained and experienced officers and NCO's.

Sincerely,

JOHN TOWER,
U.S. Senate.

FAIR BENEFITS PACKAGE FOR MILITARY

President Carter and Secretary of Defense Harold Brown are today announcing a fair benefits package for members of the United States Uniformed Services.

The fair benefits package includes: More appropriate compensation when servicemembers incur costs because of relocations as a result of reassignment; increased enlistment and reenlistment bonus levels, and authority to pay bonuses to enlisted personnel with over 10 years service; improved sea pay; increased flight pay; increased basic allowance for subsistence; a station housing allowance that provides increased pay for members who are assigned to especially high cost areas here at home; larger reimbursements for temporary duty (TDY) costs; and an addition to medical care (CHAMPUS) of a dental care package for dependents of active duty members.

The President will take three steps to make this fair benefits package a reality. First, the administration will support those aspects of the Warner/Nunn proposals that provide for these increases. These proposals would cost about $85M for the remainder of fiscal year 1980 and range from $435M to $700M in fiscal year 1981.

Second, in the weeks ahead, the administration will continue to press vigorously for enactment of programs contained in the 1981 budget which include such improvements as increased TDY reimbursements and family separation allowances for junior enlisted personnel, at a cost of about $200M.

Third, the President has asked Secretary Brown to develop a legislative proposal that will provide a dental program enhancement to CHAMPUS at a cost of about $110M in fiscal year 1981.

The President and Secretary Brown believe that this billion dollar program is a significant step in restoring the attractiveness of military service to young people in America and in providing equity for those members of our society who bear a disproportionate share of service and sacrifice.

Senator COHEN. That is all I have, Mr. Chairman.

Senator NUNN. Mr. Secretary, I have some specific questions on the proposals. The administration submitted one proposal for increasing the allowance for moving trailers. The Air Force is already paying the higher allowances, and in response to an inquiry by Senator Stennis, the Air Force has said the current law is sufficient to authorize the payment of higher allowances. If the Air Force is already paying higher allowances for moving trailers why is new legal authority required?

Mr. PIRIE. I am not aware of the Air Force doing that. It may be a matter of legal interpretation.

Senator NUNN. If Air Force is correct in their legal interpretation, then there will be no need for further law. It is simply a matter of funding for the other services?

Mr. PIRIE. I think that would be a matter for the Defense Department and Air Force General Counsel to work out as to whether their interpretation is proper.

Senator NUNN. Can you get to that information to us as soon as possible?

Mr. PIRIE. I will indeed, sir.

[The information follows:]

The Air Force pays its members 74 cents per mile for movement of house trailers as prescribed by law. By separate authority, the Secretary concerned may grant remission of debts of members. In the case of debts incurred incident to moving house trailers, the Secretary of the Air Force reviews each case and may grant remission. In preparing each case for submission to the Secretary, the evaluation includes a comparison of total trailer costs with the costs the Government would have incurred if the member had moved household goods. In the overwhelming majority of cases reviewed during the period April 1977 through February 1980, the cost to the Air Force for the trailer moves, including amounts remitted, were less than the costs that would have been incurred had the members shipped household goods. While this process is legal, it is not the most efficient way to handle the problem. The passage of this bill would allow members to be reimbursed for their expenses without the lengthy process of requesting remission from the Secretary concerned.

Senator NUNN. DOD's fact sheet accompanying the President's statement on the *Nimitz* estimated pilot continuation bonus that is proposed at $20 million. I understand the services estimate since that time has been much larger than $20 million. What is your present estimate of the cost of that proposal?

Mr. PIRIE. We are still estimating $20 million, Senator.

Senator NUNN. We understand the Air Force is now estimating $70 million alone—not even counting the Navy.

Mr. PIRIE. Once again that is something we will have to reconcile. I am somewhat surprised at that but do not at the moment have any further facts on it.

Senator NUNN. We need to get those estimates as soon as possible and get a firm administration position. We are marking up our bill this week. It is going to be very difficult to react to these proposals at this time. If we don't have the proposals themselves and don't have the budget estimates on them, it becomes impossible. As you know, the subcommittee has already finished its recommendations and the committee has already marked up the manpower portion of the authorization bill. I was hoping to open it back up again and look at these additional proposals. It is going to be very difficult if we don't have that information.

Mr. PIRIE. We will indeed provide that shortly, $20 million again as I say is the best that we know now.

[The information follows:]

Question. The administration has requested $20M to fund the aviation continuation pay for FY 1981. This continuation pay would be a companion of the 25 percent increase in aviation career incentive pay recommended in the Nunn-Warner amendment. The Air Force estimates that it would need $70M to fund continuation pay. What is this apparent disconnect?

Answer. The administration has submitted a proposed bill to the Office of Management and Budget that would increase aviation career incentive pay by 50 percent and authorize a continuation bonus. In staffing the proposal within DoD, only the Navy planned to use the continuation bonus. The original Navy estimate was a cost of $35M if a bonus were paid to all pilots with between 6 and 18 years of service. A more realistic use of the discretionary authority for the Navy would result in the $20M estimate. If the increase of 25 percent in incentive pay does not solve retention problems, the other Services may later request to use the continuation authority.

Senator NUNN. This is the result the Congressional Budget Office predicts of the administration proposal: "The number of careerists at the end of 1981 will fall about 10,000 below the level at the end of 1979. In the years beyond 1981 the administration's plan would lead almost certainly either to substantial decline in quality of personnel

or to shortfalls in the number of enlisted recruits. This relative decline in military pay will lead to a 30-percent shortfall in enlisted recruits in 1985."

Do you agree with that assessment?

Mr. PIRIE. I am not sure what the basis of that is, Senator. I have not seen the analysis. Our indications are that we will see substantial retention gains from this package which we are now proposing.

Senator NUNN. CBO further proposes an additional $580 million in 1981. They propose some retired pay reductions. They propose $4.2 billion over 5 years. In addition, they say that the President's budget may be underestimated by as much as $440 million in fiscal year 1981 and $6.8 billion over 5 years if military pay increases are to be equal to those of production workers in the private sector. Will you take a look at this CBO report and give us your best analysis, because CBO comes to some fundamentally different conclusions from the administration?

Mr. PIRIE. We will be glad to provide some commentary on that Senator. With respect to blue collar workers of course it is the well known problem.

[The information follows:]

MILITARY PAY

I don't believe that the Department of Defense position would differ all that greatly from the Congressional Budget Office. The administration recognizes that we will have to spend more for military pay and benefits. Subsequent to the release of the CBO Report, the President has announced a Fair Benefits Package which increases spending on military pay and benefits at a level greater than that advocated by the CBO for fiscal year 1981. Further, the administration agrees with the CBO that overall military pay raises must keep pace with those in the private sector and that pay and benefit improvements above the comparability increases should be targeted to specific accession and supply problems rather than across-the-board. We are continuously assessing the military manpower situation and proposals will be advanced to solve specific problems as they are identified. Over the period covered in the CBO Report (fiscal year 1981–85), the administration's proposed spending on military pay and benefits could well be equal to or greater than that estimated by CBO.

Senator NUNN. The only provision in your proposal that relates to Reserves is the bonus to individuals who reenlist in the Individual Ready Reserves for 3 years. Is that right?

Mr. PIRIE. That is right.

Senator NUNN. What effect do you anticipate this bonus will have?

Mr. PIRIE. We expect that that will result in the gradual ultimate substantial buildup in the number of individuals in the IRR, which as you know now is very short of its targets.

Senator NUNN. What is the current IRR shortage according to your latest information?

Mr. PIRIE. With respect to the Army, our estimates now are that the Individual Ready Reserve is short 270,000 people.

Senator NUNN. For the Army alone? What about for the other services?

Mr. PIRIE. The other Individual Ready Reserves are at or better than their target.

Senator NUNN. How long will it take to get the Individual Ready Reserve to make up that 270,000 shortage if the administration's $600 bonus passes?

Mr. PIRIE. The $600 bonus plus the other things that we are doing with respect to the Individual Ready Reserve will bring it, I think, some 20 to 40,000 of its goal by fiscal 1985.

Senator NUNN. Between now and fiscal year 1985 we are going to continue to have a shortage in the IRR. Your estimate is that the gap will be closing?

Mr. PIRIE. The gap will be closed substantially, yes, sir.

Senator NUNN. Senator Bayh has introduced a bill, S. 1130, to establish a statutory basis for the military legal assistance program which now provides legal counseling and other services for Armed Forces personnel in such areas as domestic relations, landlord-tenant, and personal financial problems. As originally proposed, S. 1130 would provide entitlements to such legal assistance to military personnel and their dependents. The Department of the Army has recommended that the language be changed to an authorization rather than an entitlement.

Senator Bayh has endorsed this change. The Army amendment would also provide an authorization for retirees and their dependents. Mr. Secretary, if legal assistance is being provided now, why is it necessary to provide new authority in the law?

Mr. PIRIE. I would have to take a look at the Army's proposal, Senator. I am not familiar with it.

Senator NUNN. Will you furnish that for the record?

Mr. PIRIE. I will be glad to.

[The information follows:]

LEGAL ASSISTANCE PROGRAM

Although legal assistance is currently being provided to servicemembers, their dependents, and certain other specified categories of personnel to the extent that resources available to the particular service will permit, the increased demand for legal services in other areas has, in many instances, resulted in a reduction in the legal personnel assigned full-time to this program. Subject areas that have a statutory basis in law such as criminal practice, claims investigation, administrative discharge proceedings, and work associated with the implementation of the National Environmental Policy Act, the Ethics in Government Act, and the Freedom of Information and Privacy Acts have all been given higher priority than the legal assitance program and accordingly have garnered the major share of our limited legal personnel resources. Legal assistance is many times the first service to be reduced when the aforementioned areas require additional support.

The bill presently before the Senate does not provide for an unqualified entitlement to legal assistance but rather would establish a statutory recognition and authorization for the Service legal assistance programs where none presently exists. Enactment of the proposed provision would put the current legal assistance programs on a more equal footing with the subject areas referred to above and lessen their susceptability to periodic reductions when increased demands are placed on the over-all legal services system.

Senator NUNN. We have heard from many Army recruiters about the difficulty they have had in getting legal assistance in response to charges of recruiter malpractice, which should be high priority in legal service. Does legal assistance in personal affairs interfere with legal assistance in military matters such as the recruiting investigation?

Mr. PIRIE. It should not. The priority clearly should be for people who face judicial proceedings. I think that goes to what you said the Army is proposing, that it makes the expansion in authorization rather than entitlement.

Senator NUNN. Senator Cohen?

Senator COHEN. Mr. Chairman, as I listened to the next to the last question, when you inquired as to why it will be necessary to adopt new legislation providing for legal services, it occurred to me that one of the motivating factors behind the submission of this legislation is that our military personnel are falling into the category of some of our welfare programs. They are qualifying for food stamps, and they are in need of assitance for housing. It is just one extension of the plight of many of the people in our military services that they are now falling into the kind of economic straits that there is demand now being made not only for authorization but a right. I think it raises a legitimate question. I think that is one of the motivating factors behind it.

Senator NUNN. Mr. Secretary, I want to read you a quote:

However, the quality of personnel required to operate the complex weapons and materiel developed during recent years and the greater leadership requirements that have been generated by the wide dispersion and independent operations of small units demanded by modern tactics clearly indicate the desirability of supplementing the minimum standards of acceptability prescribed in the mentioned provision of law.

Accordingly, authority is sought for the President to provide for the deferment of personnel who cannot be effectively and economically utilized by the Armed Forces and for whom no current military requirement exists. Individuals so deferred will remain available for induction in the event of an emergency when many and varied categories of personnel will be needed in the Armed Forces.

Experience has shown that an appreciable number of personnel who meet current minimum statutory mental standards do not possess sufficient aptitude to assimilate training in even the most basic military skill. At great expense the Department of Defense attempts to train these personnel to perform some useful service. After every reasonable attempt has been made to train and utilize these personnel, the totally inept and unsuitable are discharged from the service. This process is costly and time consuming and can be avoided only by more selective aptitude screening.

Do you agree with that?

Mr. PIRIE. Not in its entirety but I think the point is well taken. If you have people who are less capable of aborbing training it will cost more and require a longer time to train them. During World War II, however, we went from one extreme to the other in the application of standards both with respect to age and also with respect to aptitude.

We found that some people were discharged early in the war, because of a perception that there was an unlimited manpower pool. Many of those individuals were subsequently needed. So it is a matter, I believe, of balancing the requirements against the expense of obtaining the appropriate end product. At present, our attrition is down to below 30 percent. That indicates a general acceptability and trainability in the people that we enlist.

Senator NUNN. Your earlier statement that the Secretary of Defense doesn't interfere with the services on tlfe issue of quality and number of high school graduates, et cetera, brought this to mind. This letter I read led to a law that is still on our books which states,

that except in time of war or national emergency declared by the Congress, the standard requirement fixed by the preceding two provisions may be modified by the President under such rules and regulations as he may prescribe.

This letter was written to Hon. Sam Rayburn, Speaker of the House, on July 19, 1957, by Secretary of the Army Wilber M. Brucker. Twenty-three years ago, they were talking about complex weapons systems. Compared to today, they are very simple. Yet, we have the

highest number of category IV's probably in the modern history of our military.

Mr. PIRIE. No, Senator, even if our worst expectations are true, we had more during the Korean war than we do presently.

Senator NUNN. What was the number of category IV's during the Korean war?

Mr. PIRIE. Across the Department of Defense, I believe it was on the order of 40 percent. If memory serves, that was the figure. That is across the whole Department.

Senator NUNN. How are your tests developing that we discussed at length to try to determine the true, accurate measure?

Mr. PIRIE. Preliminary indications are that our original assessment is probably about right.

Senator NUNN. Does that place it up around the 44 percent range for the Army?

Mr. PIRIE. The percentage could be that large if our final analyses confirm the original studies.

Senator NUNN. When do you anticipate you will have a final answer on that and make some conclusions?

Mr. PIRIE. Our assessment of the accuracy of the test calibrations should be completed very shortly. July 1 is when I believe that we will have it, Senator.

Senator NUNN. At this stage, you are really not backing off from your previous testimony? Your previous testimony and your personal assessments are the same?

Mr. PIRIE. Yes. We have substantial evidence that indicates that our procedures which describe the numbers of category IVs are flawed. They err in the direction of moving people from category IV to category III. An accurate recalibration will probably give us numbers which include substantially more category IVs—on the order of 30 percent DOD-wide for fiscal year 1979. Although we earlier reported a DOD range of 14 to 28 percent category IVs, more recent analyses have indicated that those figures were conservative.

Senator NUNN. Would that be incremental or would that be total?

Mr. PIRIE. Total. You would not add the 30 percent to the currently reported percentage of category IV personnel.

Senator NUNN. Right now you have estimated it was 10 percent, with 8 percent in the Army.

Mr. PIRIE. From DOD, our estimate is 6 percent; for the Army, it is about 10 percent.

Senator NUNN. What will be your range, when you get through this test, compared to the 8 percent?

Mr. PIRIE. If our current test is accurately calibrated, it may be as little as 6 percent. As I have previously indicated, we do not think this is the case. It may be as high as 30 percent.

Senator NUNN. Forty-five percent of total accessions?

Mr. PIRIE. Thirty percent of the DOD accessions may be in category IV. For the Army, that estimate is about 45 percent.

Senator NUNN. For which fiscal year?

Mr. PIRIE. For fiscal year 1979. We have not yet computed estimates for fiscal year 1980.

Senator NUNN. What would be your personal opinion of that range? You said 28 to 44 percent. Is 28 your low based on current information?

Mr. PIRIE. I believe that it will be in the order of 25 to 30 percent, Senator.

Senator NUNN. Ceiling about 45?

Mr. PIRIE. Yes, sir.

Senator NUNN. That is your personal view?

Mr. PIRIE. Yes, sir.

Senator NUNN. General Tice, do you agree with that?

General TICE. Thirty percent for DOD and 45 percent for the Army if our current analyses prove valid.

Senator NUNN. Between 25 and 45 percent?

General TICE. Yes, sir.

Senator NUNN. Those people who are running around with letters and getting them signed saying the range is 8 to 10 and not 45 percent are very, very optimistic?

Mr. PIRIE. That is correct. I do not believe that it will prove to be as low as our present test calibration indicates. I think we have a problem, and it will be higher.

Senator NUNN. How far back do they go keeping records on this basis?

Mr. PIRIE. The reference population is 1944—the 11 million men then under arms. From 1952, we have a continuous stream of records which reflect reported test scores from the various tests and testing conditions employed over that long span of time.

Senator NUNN. For all services?

Mr. PIRIE. Yes; I am not certain what the breakdown is.

Senator NUNN. We have figures from 1964 on. You mentioned the Korean war figures, and I think it is important to put this in perspective historically. Could you give us the figures going back as far as you have kept them for all services?

Mr. PIRIE. We will be glad to, Senator.

[The information follows:]

ACCESSIONS

TOTAL MALE ACCESSIONS (INDUCTEES AND ENLISTEES) MENTAL CATEGORY PERCENTS, FISCAL YEARS

	[1] 1952	1953	1954	1955	1956	1957	1958	1959	1960
Army:									
I	6.9	7.0	9.7	9.6	8.4	8.2	8.5	8.8	8.2
II	20.4	22.9	25.9	26.7	26.5	24.1	23.2	24.2	24.1
III	28.7	29.4	34.6	35.9	38.6	37.2	41.7	46.1	50.7
IV	44.1	40.7	29.8	27.8	26.5	30.5	26.6	20.9	17.0
(IIIa)									
(IIIb)									
Navy:									
I	5.5	6.8	7.4	4.8	5.7	6.7	7.7	8.9	7.5
II	24.0	28.3	27 2	21.9	23.6	26.2	28.5	32.2	29.3
III	37.1	37.5	39.7	38.0	38.4	50.8	56.6	50.4	56.1
IV	33.4	27.4	25.7	36.2	32.3	16.3	7.2	6.5	7.1
(IIIa)									
(IIIb)									
Marine Corps:									
I	5.7	4.9	4.2	6.2	4.4	5.4	7.4	6.0	5.3
II	21.3	23.1	20.5	27.5	21.7	23.1	26.9	25.4	22.3
III	30.5	37.8	40.9	46.1	39.0	45.9	56.7	58.9	56.0
IV	42.6	34.2	34.4	20.2	34.9	25.6	9.0	9.7	16.4
(IIIa)									
(IIIb)									
Air Force:									
I	6.9	9.0	6.5	6.5	7.5	8.4	11.3	12.2	10.3
II	23.8	28.1	25.5	25.2	28.9	27.4	33.1	33.6	32.5
III	36.0	36.0	41.2	41.7	45.4	49.2	47.9	43.7	45.5
IV	33.4	26.9	26.8	26.6	18.2	15.0	7.7	10.5	11.7
(IIIa)									
(IIIb)									
DOD:									
I	6.4	7.2	8.2	7.8	7.1	7.8	8.7	9.1	8.2
II	22.0	24.1	25.3	25.3	25.9	25.2	26.2	27.8	26.9
III	32.3	31.5	36.9	38.1	40.2	42.8	47.1	47.7	51.3
IV	39.2	37.2	29.6	28.8	26.8	24.2	18.0	15.4	13.6
(IIIa)									
(IIIb)									

	1961 [1]	1962	1963	1964	1965	1966	1967	1968	1969	1970
Army:										
I	6.1	5.8	5.1	5.7	4.8	5.6	5.9	5.5	6.1	5.2
II	27.4	27.3	26.7	28.0	26.7	28.5	28.5	26.3	28.3	28.0
III	53.3	44.5	46.7	46.4	49.3	42.5	39.3	39.2	38.1	41.0
IV	13.2	22.4	21.5	19.9	19.2	23.4	26.3	28.0	27.5	25.8
(IIIa)										
(IIIb)										
Navy:										
I	5.7	5.5	6.4	6.1	5.3	8.1	9.8	8.8	7.0	6.1
II	34.6	34.2	36.8	34.9	33.0	42.8	50.8	51.0	40.7	38.6
III	49.7	48.5	51.1	48.0	47.9	43.7	27.8	23.6	33.1	38.9
IV	10.0	11.8	5.6	10.9	13.8	5.4	11.6	16.6	19.2	16.4
(IIIa)										
(IIIb)										
Marine Corps:										
I	4.8	4.4	4.9	4.6	4.4	5.5	4.7	3.9	3.5	2.9
II	31.2	32.5	37.5	32.8	33.7	33.3	31.2	26.7	25.5	24.4
III	56.9	54.1	53.7	53.4	58.1	47.7	46.7	47.2	45.3	48.5
IV	7.1	9.0	3.9	9.2	3.8	13.5	17.4	22.2	25.7	24.2
(IIIa)										
(IIIb)										
Air Force:										
I	6.7	8.5	7.7	8.7	7.7	8.2	8.0	7.9	8.2	8.1
II	34.8	40.9	38.2	41.0	39.1	41.4	39.9	39.0	38.5	38.6
III	42.4	43.4	45.7	46.2	45.7	44.0	40.1	36.2	35.5	35.1
IV	16.1	7.2	8.4	4.1	7.4	6.3	12.0	17.0	17.8	18.1
(IIIa)										
(IIIb)										
DOD:										
I	6.1	6.2	6.0	6.3	5.5	6.4	6.6	6.0	6.2	5.3
II	31.3	31.8	32.5	32.1	31.3	33.5	33.1	31.8	31.7	30.5
III	49.7	45.7	47.8	47.1	48.8	43.5	39.7	37.6	37.7	41.0
IV	12.9	16.3	13.7	14.5	14.4	16.6	21.6	24.6	24.4	23.2
(IIIa)										
(IIIb)										

TOTAL MALE ACCESSIONS (INDUCTEES AND ENLISTEES) MENTAL CATEGORY PERCENTS, FISCAL YEARS—Con.

	1971[1]	1972	1973	1974[2]	1975	1976	TQ	1977	1978	1979
Army:										
I	5.1	4.0	3.4	3.6	4.5	5.3	5.1	4.0	3.9	2.8
II	27.6	2.84	27.5	27.5	30.3	27.6	28.4	21.1	22.4	17.4
III	42.1	48.8	51.8	51.1	55.1	59.6	57.5	65.8	63.2	70.3
IV	25.2	18.8	17.3	17.8	10.0	7.6	9.0	9.2	10.5	9.4
(IIIa)	[3](18.0)	[3](20.9)	[3](22.2)	(21.4)	(22.7)	(22.0)	(18.2)	(20.6)	(25.0)	(22.4)
(IIIb)	[3](24.1)	[3](27.9)	[3](29.6)	(29.7)	(32.4)	(37.6)	(39.4)	(45.2)	(36.6)	(47.9)
Navy:										
I	6.1	4.5	3.6	2.7	2.8	5.0	8.4	7.2	6.2	5.5
II	39.6	32.5	32.1	33.7	35.2	38.8	40.1	32.3	31.8	29.1
III	40.2	42.8	48.6	60.3	57.2	52.1	48.5	58.1	59.5	61.7
IV	14.0	20.2	15.7	3.3	4.8	4.1	3.0	2.4	2.5	3.7
(IIIa)	[3](25.2)	[3](22.1)	[3](22.9)	(26.0)	(30.0)	(30.8)	(24.9)	(32.7)	(36.6)	37.3)
(IIIb)	[3](15.0)	[3](20.7)	[3](25.5)	(34.3)	(27.2)	(21.3)	(23.6)	(25.5)	(22.8)	(24.4)
Marine Corps:										
I	2.5	2.2	2.1	2.7	[3]3.0	3.5	6.0	4.4	3.4	3.0
II	23.4	22.1	22.6	30.7	[4]33.8	36.9	38.6	27.6	25.1	21.5
III	55.0	55.6	60.8	59.0	59.8	56.7	51.5	63.7	67.5	71.6
IV	19.1	20.1	14.6	7.5	3.5	2.9	3.9	4.3	4.0	3.8
(IIIa)	[3](21.8)	[3](24.0)	[3](23.8)	(29.7)	(30.2)	(30.0)	[3](22.6)	(28.8)	(29.8)	(32.8)
(IIIb)	[3](33.2)	[3](31.6)	[3](37.0)	(29.4)	(29.5)	(26.7)	[3](29.0)	(34.9)	(37.7)	(38.8)
Air Force:										
I	5.9	5.4	5.5	[3]4.7	3.9	5.7	10.8	8.8	6.6	5.7
II	33.6	37.3	38.5	[3]40.8	40.0	45.3	52.6	45.0	38.6	34.5
III	42.7	48.6	51.8	53.9	55.6	48.5	36.3	46.1	54.8	59.7
IV	17.8	8.7	4.2	.6	.4	.5	.3	.1	[4]	.1
(IIIa)	[3](20.1)	[3](22.8)	[3](24.8)	[3](25.0)	(30.3)	(29.6)	(22.9)	(30.8)	(36.5)	(44.2)
(IIIb)	[3](22.6)	[3](25.8)	[3](27.0)	[3](28.9)	(25.4)	(19.0)	(13.4)	(15.3)	(18.3)	(15.5)
DOD:										
I	5.1	4.2	3.7	[3]3.0	[3]3.5	5.1	7.0	5.8	5.0	4.1
II	30.0	30.2	30.1	[3]32.2	[3]34.0	34.7	36.9	29.2	28.7	24.5
III	43.1	48.1	52.1	54.5	56.3	55.4	50.7	59.9	61.0	66.0
IV	21.8	17.5	14.1	10.2	6.1	4.9	5.3	5.1	5.3	5.3
(IIIa)	[3](19.8)	[3](21.9)	[3](23.0)	[3](24.3)	(26.9)	(26.4)	[3](20.2)	(26.6)	(31.1)	(32.1)
(IIIb)	[3](23.3)	[3](26.2)	[3](29.1)	[3](30.2)	(29.5)	(29.0)	[3](30.6)	(33.2)	(29.8)	(34.0)

[1] Fiscal year 1952–73 include male data only.
[2] Fiscal year 1974–79 include male and female combined data.
[3] DMDC data percentages applied to number data to derive percentage breakout.
[4] Less than 0.05 percent.

AFQT Scores Corrected for the Calibration Error

As explained in the July 1980 report to the House Committee on Armed Services entitled, "Aptitude Testing of Recruits," the DOD enlistment test in use from January 1976 through September 1980 was miscalibrated and inflated the test scores of enlistees who entered service during that period. The scoring problem was corrected with the introduction of a new enlistment test on 1 October 1980.

The following table shows the percent of non-prior service enlisted accessions (male and female) by mental category in fiscal years 1976 through 1979. The percentages were recomputed to correct the test calibration error.

NPS ACCESSIONS, MENTAL CATEGORY PERCENTS, FISCAL YEARS[1]

	1976	TQ	1977	1978	1979
Army:					
I	4	4	2	2	2
II	29	29	18	19	15
III	52	33	36	39	37
IV	15	34	44	39	46
Navy:					
I	5	7	5	6	5
II	39	42	32	35	33
III	48	34	42	43	44
IV	8	18	21	16	18
Marine Corps:					
I	3	5	3	3	2
II	37	39	25	25	23
III	54	39	45	45	49
IV	7	17	27	27	26
Air Force:					
I	5	9	6	5	5
II	46	56	42	40	36
III	48	33	46	49	50
IV	1	3	6	6	9
DOD:					
I	4	6	4	4	3
II	35	38	26	28	25
III	51	34	40	43	42
IV	10	22	30	25	30

[1] Numbers may not add due to rounding.

Senator NUNN. Senator Cohen?

Senator COHEN. If there has been a misallocation or a mistesting or placing of too many people in category III as opposed to category IV does it follow also that that applies across the board? For example, you have a larger number of I's that should be in II and a larger number of II's that should be in III, or at the other end, you have those who are now currently placed in category IV who should belong in category V?

Mr. PIRIE. No, Senator. Misnorming of the test seems to be around the boundary of III and IV. As explained in earlier testimony, when this new armed services vocational aptitude battery was fielded in 1976 we immediately saw a rise in the number of category I's and II's which led us to suspect we had a problem. We went back and renormed that test. Now all that information indicates that, those who are I's are I's and those who are II's are II's and those in the high end of the III's are III's. The low end of the III's and the upper end of the IV's were where the ambiguity existed and we are sure that is where the boundary is not well drawn.

At the bottom of the spectrum we are fairly confident we have no V's.

Senator COHEN. I was looking at some of the charts showing the categorization of I's to IV's. As it is drawn there is a very sharp drop from those in III's down to category IV's. So, if you have a change of a few percentage points on this renorming, it will not in essence change that graph too much. The curve will remain essentially the same. It does not necessarily represent a large shift of personnel from III to IV, even though you have a change of a couple of percentage points. As you look at that chart it is almost a precipitous drop from category III down to IV. So if you take a 3 percent change, it does not mean you will have an extraordinary volume of people who will then be in category IV.

I doubt very much whether that curve will change significantly.

Mr. PIRIE. You may be talking about the Army curve which is very much skewed. The problem is that if you move that vertical line to the left by this renorming that immediately takes in the area all the way up. That is a fairly good area. What it does not mean is that you are filling up that big block between the top of the IV and bottom of the IV. It means you have a few more people toward the top end of the IV.

Senator COHEN. That is all I have.

Senator NUNN. An interesting note. I was shown by George Travers this report that the Armed Services Committee made on July 10, 1958 by Mr. Saltonstall. On page 2 he says:

> The mental standards prescribed above that were adopted in 1951 reflected a concept that out of 100 persons examined 10 would have mentalities not valuable to the armed services and that from 10 to 30 of the persons would be valuable only in limited areas.
>
> The physical standards that were in effect in January 1945 were the lowest that prevailed during World War II.
>
> The Army divides its personnel among four mental groups of which group IV has the lowest mentality. The percentage of Army inductees who are in group IV has increased progressively from 30 percent in 1955 to almost 40 percent in 1958. In May of 1958, 39.9 percent of the persons inducted into the Army were in mental group IV.
>
> Army officials maintain that it is impossible to train many of the group IV inductees to the degree necessary for the operation of the many complex weapons

that have been introduced in recent years. The cost of attempting to train these persons over a period of four or five months and then separating them administratively after they prove unable to assimilate training is significant. Apart from the cost and the problem of training group IV inductees is the fact that the persons present disciplinary problems, evidenced by their higher rate of courts-martial and by statistics showing that 50.4 percent of the population of Army prisons is comprised of group IV personnel.

We are getting into the range that caused these problems in 1958. Do you have any statistics showing any correlation between mental categories and discipline problems, including jail or court-martial?

Mr. PIRIE. Not with me, Senator. I will be glad to dig up what we have and provide it for you.

Senator NUNN. Do you think you have something along that line?

Mr. PIRIE. I do not know for sure. If so, we will certainly try to provide it for you.

[The information follows:]

MANPOWER RESEARCH NOTE 74-1—FEBRUARY 1974

ATTRITION RATES FOR UNSATISFACTORY PERFORMANCE OR BEHAVIOR AMONG FIRST TERM ENLISTED PERSONNEL

Prepared by Directorate for Manpower Research, Office of the Assistant Secretary of Defense (M. & R.A.)

This study provides attrition rates by Service for men who fail to meet minimum behavior or performance standards during their initial enlistments. Four factors are controlled: age at entry, race, high school graduate status, and AFQT mental group.

The population covered consists of male non-prior service enlistees accessioned during the period July–December 1970, and for whom the above data were complete. Attrition data are current through 30 June 1973, and consist of selected types of separation/discharge shown in Atttachment A.

Tables I through VII are organized to provide comparisons among the Services for rates of attrition with men grouped by the above factors.

Tables VIII through XII are based on the above data (excluding race) but the data are ordered in rank order sequence so that groups with high and low attrition rates can be more readily identified for each Service.

A major finding of this study is that sizeable differences exist in attrition rates among the Services after control for a number of key factors.

ATTACHMENT A

Attrition Categories for Failure to Meet Minimum Behavior or Performance Standards:

Character or Behavior Disorder; Motivational Problems; Enuresis; Inaptitude; Alcoholism; Discreditable Incidents—Civilian or Military; Shirking; Drugs; Financial Irresponsibility; Lack of Dependent Support; Unsanitary Habits; Civil Court Conviction; Security; Courts Martial; Fraudulent Entry; AWOL, Desertion; Homosexuality; Sexual Perversion; Good of Service; Juvenile Offender; Misconduct (Reason Unknown); Unfitness (Reason Unknown); Unsuitability (Other than honorable services, not elsewhere classified).

TABLE 1.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY–DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE 17)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	20.50	(48.57)	21.15	32.94	(54.17)	33.52	29.16	(26.32)	29.10	(8.51)	(0)	(8.51)	25.89	44.87	26.34
Mental group III	23.69	30.32	24.21	39.21	50.83	40.04	37.41	42.70	37.82	(7.14)	(28.57)	(10.20)	30.24	36.99	30.77
Mental group IV	21.03	25.00	21.59	33.68	39.08	34.79	49.09	47.37	48.80	(7.14)	(37.50)	(18.18)	28.29	32.60	28.97
Mental groups—all	22.34	28.03	22.88	36.28	44.65	37.06	38.53	44.15	39.04	7.77	(33.33)	11.02	28.95	35.05	29.52
High school graduates:															
Mental groups I and II	8.27	(0)	8.19	18.25	(30.77)	18.46	10.40	(0)	10.26	11.22	(50.00)	11.78	13.34	(25.93)	13.52
Mental group III	12.05	16.18	12.60	17.58	(13.16)	17.33	15.79	29.82	17.54	13.98	13.33	13.88	15.14	18.07	15.47
Mental group IV	18.49	23.40	20.42	18.84	13.21	16.39	27.78	(31.82)	29.31	14.42	28.57	20.44	19.18	24.25	21.24
Mental groups—all	11.48	19.88	12.68	17.99	15.38	17.82	14.82	29.52	16.59	12.77	22.15	14.18	14.70	21.58	15.49
All education levels:															
Mental groups I and II	17.91	(43.59)	18.43	25.97	(45.95)	26.42	24.55	(25.00)	24.56	10.94	(50.00)	11.45	21.33	40.57	21.72
Mental group III	22.82	28.55	23.29	33.02	41.77	33.60	35.01	40.36	35.45	13.30	14.63	13.52	27.94	32.91	28.36
Mental group IV	21.00	24.96	21.62	32.30	33.04	32.47	47.83	44.69	47.24	13.56	29.41	20.20	27.71	30.87	28.28
Mental groups—all	21.44	27.05	21.99	30.40	37.44	30.99	35.50	41.65	36.09	12.25	23.12	13.86	26.42	32.19	26.99

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE II.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY–DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE 18)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	14.21	(13.33)	14.19	19.25	(35.71)	19.46	19.59	(36.84)	20.00	17.41	(40.00)	18.05	17.28	28.21	17.51
Mental group III	16.49	18.29	16.66	25.46	44.23	26.67	32.05	36.54	32.53	24.82	42.73	28.09	22.89	31.19	23.74
Mental group IV	16.31	18.75	16.86	29.16	33.14	30.25	46.67	44.07	46.01	34.60	33.33	34.27	26.97	28.94	27.46
Mental groups—all	16.05	18.44	16.36	23.84	27.20	25.01	33.47	40.76	34.46	2[illegible].22	38.20	27.61	22.73	29.81	23.65
High school graduates:															
Mental groups I and II	5.33	3.77	5.31	14.32	(18.37)	14.36	9.37	(17.50)	9.54	7.12	11.63	7.21	9.34	12.28	9.38
Mental group III	6.35	8.96	6.61	16.62	16.41	16.61	14.65	22.16	15.58	8.67	15.05	9.66	11.26	15.22	11.70
Mental group IV	8.88	11.92	10.17	16.94	17.39	17.13	23.31	29.82	25.71	12.16	15.05	13.43	13.99	16.70	15.13
Mental groups—all	6.12	10.32	6.60	15.39	17.04	15.49	13.39	25.29	14.82	8.35	14.85	9.33	10.58	15.78	11.16
All education levels:															
Mental groups I and II	7.70	7.23	7.69	15.28	22.22	15.36	12.31	26.31	12.62	8.32	15.84	8.49	11.00	16.88	11.10
Mental group III	11.70	13.83	11.90	19.31	24.46	19.65	23.03	28.57	23.67	12.17	21.98	13.76	15.92	21.29	16.50
Mental group IV	14.57	15.56	14.85	23.66	23.45	23.58	39.20	37.81	38.79	19.56	19.02	19.35	22.14	21.93	22.07
Mental groups—all	11.01	14.59	11.44	17.63	23.78	18.07	22.54	33.02	23.88	11.55	20.20	12.91	14.96	21.41	15.73

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE III.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY–DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE 19)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	9.50	(21.21)	10.03	21.19	(33.33)	21.37	21.24	(41.67)	22.01	17.56	(33.33)	18.06	15.72	28.33	16.16
Mental group III	11.80	14.42	12.13	22.52	29.33	23.16	32.40	29.81	32.06	19.05	29.03	21.15	19.22	22.94	19.73
Mental group IV	14.90	14.81	14.88	21.99	21.24	21.78	46.71	48.00	47.13	26.38	34.31	29.33	24.25	27.16	25.14
Mental groups—all	12.35	14.92	12.78	22.04	24.74	22.37	34.49	40.90	35.66	20.65	31.83	23.24	19.93	25.51	20.91
High school graduates:															
Mental groups I and II	3.75	9.21	3.84	12.61	(10.87)	12.59	8.42	(17.65)	8.63	6.15	14.58	6.34	7.34	12.70	7.44
Mental group III	5.12	10.63	5.83	12.99	20.33	13.57	13.99	22.26	15.27	7.70	12.57	8.41	8.90	14.62	9.63
Mental group IV	6.21	8.83	7.23	16.42	10.26	14.19	27.21	31.96	29.10	12.99	14.20	13.50	13.34	14.38	13.75
Mental groups—all	4.60	9.69	5.22	13.05	14.40	13.16	13.38	26.28	15.31	7.77	13.58	8.67	8.68	14.39	9.40
All education levels:															
Mental groups I and II	4.56	13.51	4.75	13.38	13.46	13.38	10.70	(23.91)	11.03	6.87	16.19		8.25	15.92	8.40
Mental group III	7.49	12.01	8.07	14.95	22.29	15.56	20.72	24.55	21.28	9.38	16.06	10.42	11.67	16.94	12.36
Mental group IV	10.96	11.43	11.12	18.33	13.15	16.59	37.66	39.41	38.29	15.67	17.65	16.48	17.85	18.47	18.07
Mental groups—all	6.96	11.78	7.61	14.52	16.85	14.72	20.46	31.93	22.31	9.33	16.94	10.59	11.21	17.69	12.11

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE IV.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY-DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE 20)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	11.50	(12.50)	11.54	20.69	(14.29)	20.33	25.98	(16.67)	25.56	12.63	(0)	12.50	16.84	(13.64)	16.72
Mental group III	9.62	10.73	9.82	20.72	(16.67)	20.36	34.66	34.92	34.70	15.19	31.75	18.67	17.55	19.88	17.94
Mental group IV	13.59	18.01	15.20	25.27	(28.89)	26.47	47.56	41.30	45.31	20.90	18.29	19.91	23.65	24.19	23.84
Mental groups—all	10.98	14.65	11.80	21.60	23.68	21.91	36.24	37.89	36.57	16.31	23.97	18.14	18.98	22.08	19.62
High school graduates:															
Mental groups I and II	3.30	9.38	3.43	9.68	(0)	9.54	9.06	(13.33)	9.15	4.89	9.68	5.02	6.06	7.95	6.10
Mental group III	4.39	7.43	4.83	11.57	17.36	12.15	16.31	28.26	18.39	7.43	10.69	8.00	8.31	13.05	9.01
Mental group IV	4.84	11.44	7.82	19.15	11.54	16.04	29.88	30.16	30.00	13.41	12.06	12.85	13.88	14.22	14.03
Mental groups—all	3.83	9.31	4.48	10.77	12.94	10.93	14.46	28.32	16.61	6.81	11.29	7.47	7.53	13.15	8.20
All education levels:															
Mental groups I and II	3.93	9.46	4.05	10.18	(2.38)	10.05	11.74	(14.29)	11.81	5.20	9.52	5.31	6.75	8.50	6.75
Mental group III	6.06	8.51	6.44	13.05	17.26	13.47	22.73	30.54	24.03	8.48	14.17	9.50	10.49	14.83	11.15
Mental group IV	9.13	13.96	11.12	21.15	16.00	19.16	38.79	34.55	37.09	14.92	13.19	14.21	17.55	17.26	17.43
Mental groups—all	5.40	11.10	6.21	11.91	15.06	12.17	20.99	31.76	22.82	7.73	13.35	8.62	9.44	15.56	10.27

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE V.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY–DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE 21)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	18.29	(20.00)	18.39	(20.00)	(0)	(17.65)	(25.71)	(0)	(25.00)	(23.81)	(0)	(23.81)	20.82	(12.50)	20.50
Mental group III	14.80	(17.95)	15.22	(23.08)	(25.00)	(23.33)	41.49	(34.38)	39.44	(25.00)	(25.00)	25.00	22.49	25.00	22.92
Mental group IV	15.72	17.95	16.46	(40.00)	(50.00)	(42.86)	62.96	(38.89)	53.33	(27.59)	(28.57)	(27.91)	28.40	26.12	27.62
Mental groups—all	15.68	18.03	16.15	26.79	(33.33)	27.94	44.81	36.36	42.57	25.51	(26.67)	25.78	24.03	25.22	24.29
High school graduates:															
Mental groups I and II	2.18	(2.38)	2.19	7.59	(15.38)	7.69	10.54	(20.00)	10.84	3.81	(0)	3.75	4.44	5.88	4.47
Mental group III	3.56	10.56	4.66	9.30	14.81	9.92	17.62	(20.45)	18.08	4.37	11.61	5.52	6.46	12.67	7.38
Mental group IV	7.19	7.52	7.34	(21.05)	(9.09)	15.49	(31.71)	(33.33)	32.35	12.78	21.05	16.23	13.42	14.58	13.94
Mental groups—all	2.83	8.33	3.38	8.39	13.00	8.67	14.80	24.69	16.01	4.58	14.54	5.60	5.50	12.63	6.17
All education levels:															
Mental groups I and II	3.03	(4.26)	3.05	7.76	(13.33)	7.84	12.00	(18.18)	12.19	4.13	(0)	4.07	5.05	6.45	5.07
Mental group III	6.28	11.88	7.13	10.09	15.52	10.70	24.53	25.68	24.75	5.91	13.28	7.13	9.17	14.94	10.06
Mental group IV	11.99	11.27	11.70	26.42	(15.38)	21.74	49.47	36.51	44.30	15.43	22.02	18.08	19.78	18.16	19.12
Mental groups—all	4.86	10.82	5.54	9.03	15.18	9.43	21.90	29.73	23.17	5.56	15.95	6.70	7.51	15.53	8.38

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE VI.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY-DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE 22-PLUS)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	11.33	(33.33)	12.58	(10.00)	(0)	(10.00)	33.33	(100.00)	35.85	(7.41)	(0)	(6.67)	15.55	(35.71)	16.67
Mental group III	11.67	13.04	11.91	(20.83)	(20.00)	(20.69)	38.36	(54.17)	40.44	(21.05)	(25.00)	22.00	19.00	21.80	19.47
Mental group IV	19.41	14.79	17.83	(50.00)	(0)	(27.27)	61.25	(52.50)	58.33	(28.13)	(23.81)	26.42	29.16	22.60	29.88
Mental groups—all	14.07	14.81	14.23	(22.50)	(10.00)	20.00	43.79	54.55	45.79	19.59	(22.22)	20.30	21.45	22.82	21.74
High school graduates:															
Mental groups I and II	1.59	6.94	1.67	4.60	(4.35)	4.60	8.23	(12.50)	8.31	1.92	(11.43)	2.04	2.55	7.97	2.63
Mental group III	3.23	7.27	3.93	8.45	6.67	8.23	15.15	(27.08)	17.20	3.85	16.26	5.54	5.21	11.26	6.14
Mental group IV	14.04	11.23	12.57	(21.21)	(27.27)	23.64)	(32.35)	(51.02)	43.37	9.65	16.30	12.62	15.06	19.14	17.09
Mental groups—all	2.28	8.61	2.78	5.49	10.48	5.70	11.86	37.14	15.30	2.56	15.60	3.37	3.45	13.58	4.16
All education levels:															
Mental groups I and II	1.90	9.76	2.03	4.67	(4.35)	4.67	10.96	(30.00)	11.37	1.98	(10.53)	2.09	2.87	10.46	2.98
Mental group III	5.54	8.67	6.08	9.09	7.69	8.91	24.75	36.11	26.50	4.64	17.04	6.39	8.00	13.42	8.84
Mental group IV	17.41	12.84	15.45	(25.64)	(22.22)	24.24	52.63	51.11	51.96	14.29	17.70	15.77	22.59	20.35	21.63
Mental groups—all	3.78	10.56	4.45	5.80	10.43	6.00	21.53	43.60	24.87	3.01	16.43	3.94	5.11	15.97	6.04

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE VII.—PERCENT OF ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA, JULY-DECEMBER 1970 ENLISTEES SEPARATED AS OF JUNE 30, 1973 (AGE TOTAL)

	Army			Navy			Marine Corps			Air Force			DOD		
	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total	Caucasian and other non-Negro	Negro	Total
Nonhigh school graduates:															
Mental groups I and II	15.56	27.50	15.92	24.35	39.62	24.67	24.43	33.90	24.68	16.43	(32.14)	16.86	19.92	31.92	20.24
Mental group III	18.11	20.04	18.31	29.86	40.66	30.67	34.94	37.61	35.22	21.32	35.12	24.04	24.68	29.12	25.16
Mental group IV	18.19	19.22	18.41	29.73	32.05	30.32	48.31	45.70	47.66	29.29	30.98	29.87	26.92	28.49	27.29
Mental groups—All	17.74	19.80	18.01	28.16	35.66	28.92	36.34	41.82	37.07	22.13	32.96	24.40	24.38	28.87	24.98
High school graduates:															
Mental groups I and II	3.36	6.75	3.42	11.51	11.73	11.51	9.10	16.22	9.25	5.34	12.13	5.48	6.73	10.71	6.79
Mental group III	5.29	9.39	5.83	14.13	16.79	14.34	14.85	23.70	16.12	7.74	13.30	8.60	9.52	14.25	10.12
Mental group IV	8.04	10.99	9.29	17.39	13.44	15.81	26.35	32.12	28.65	12.73	14.96	13.68	13.97	15.82	14.74
Mental groups—all	4.45	9.94	5.06	12.76	14.76	12.89	13.60	26.92	15.40	7.06	14.06	8.02	8.41	14.74	9.11
All education levels:															
Mental groups I and II	5.57	12.61	5.70	13.36	18.10	13.42	13.70	23.70	13.93	6.03	13.81	6.19	8.76	15.67	8.88
Mental group III	11.92	14.16	12.18	19.02	23.77	19.39	25.97	30.05	26.46	9.89	17.73	11.16	15.74	19.60	16.20
Mental group IV	15.73	15.36	15.63	25.18	20.58	23.00	41.81	39.53	41.12	16.75	17.92	17.22	22.01	21.07	21.71
Mental groups—all	10.21	14.70	10.75	16.53	21.71	19.62	25.04	34.35	26.29	8.91	17.60	10.19	13.73	20.12	14.49

Note: Percents in parentheses indicate that the number of accessions was less than 50. The percentages are provided for comparative purposes and should be interpreted with caution.

TABLE VIII.—JULY–DECEMBER 1970 ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA: RANK ORDERING OF PERCENT DISCHARGED—ARMY ENLISTEES

Rank	Population [1]	Number of accessions	Percent discharged
1	NHS, age 17, MG III	6,001	24.21
2	NHS, age 17, MG IV	4,214	21.59
3	NHS, age 17, MG I and II	1,513	21.15
4	HSG, age 17, MG IV	240	20.42
5	NHS, age 21, MG I and II	87	18.39
6	NHS, age 22-plus, MG IV	415	17.83
7	NHS, age 18, MG IV	3,061	16.86
8	NHS, age 18, MG III	4,448	16.66
9	NHS, age 21, MG IV	237	16.46
10	NHS, age 21, MG III	289	15.22
11	NHS, age 20, MG IV	579	15.20
12	NHS, age 19, MG IV	1,734	14.88
13	NHS, age 18, MG I and II	1,325	14.19
14	HSG, age 17, MG III	516	12.60
15	NHS, age 22-plus, MG I and II	159	12.58
16	HSG, age 22-plus, MG IV	358	12.57
17	NHS, age 19, MG III	2,530	12.13
18	NHS, age 22-plus, MG III	529	11.91
19	NHS, age 20, MG I and II	234	11.54
20	HSG, age 18, MG IV	1,328	10.17
21	NHS, age 19, MG I and II	728	10.03
22	NHS, age 20, MG III	967	9.82
23	HSG, age 17, MG I and II	403	8.19
24	HSG, age 20, MG IV	678	7.82
25	HSG, age 21, MG IV	286	7.34
26	HSG, age 19, MG IV	1,687	7.23
27	HSG, age 18, MG III	4,025	6.61
28	HSG, age 19, MG III	4,938	5.83
29	HSG, age 18, MG I and II	3,712	5.31
30	HSG, age 20, MG III	2,422	4.83
31	HSG, age 21, MG III	1,031	4.66
32	HSG, age 22-plus, MG III	1,605	3.93
33	HSG, age 19, MG I and II	4,637	3.84
34	HSG, age 20, MG I and II	2,999	3.43
35	HSG, age 21, MG I and II	2,057	2.19
36	HSG, age 22-plus, MG I and II	4,838	1.67

[1] NHS equals nonhigh school graduates; HSG equals high school graduates and above; age 17, 18, etc. equals age at entry; MG I–II, III, IV plus mental group.

TABLE IX.—JULY–DECEMBER 1970 ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA: RANK ORDERING OF PERCENT DISCHARGED—NAVY ENLISTEES

Rank	Population [1]	Number of accessions	Percent discharged
1	NHS, age 21, MG IV	21	42.86
2	NHS, age 17, MG III	1,681	40.04
3	NHS, age 17, MG IV	845	34.79
4	NHS, age 17, MG I and II	874	33.52
5	NHS, age 18, MG IV	638	30.25
6	NHS, age 22-plus, MG IV	11	27.27
7	NHS, age 18, MG III	1,620	26.67
8	NHS, age 20, MG IV	136	26.47
9	HSG, age 22-plus, MG IV	55	23.64
10	NHS, age 21, MG III	30	23.33
11	NHS, age 19, MG III	790	23.16
12	NHS, age 19, MG IV	404	21.78
13	NHS, age 19, MG I and II	393	21.37
14	NHS, age 22-plus, MG III	29	20.69
15	NHS, age 20, MG III	275	20.36
16	NHS, age 20, MG I and II	123	20.33
17	NHS, age 18, MG I and II	1,084	19.46
18	HSG, age 17, MG I and II	780	18.46
19	NHS, age 21, MG I and II	17	17.65
20	HSG, age 17, MG III	675	17.33
21	HSG, age 18, MG IV	648	17.13
22	HSG, age 18, MG III	3,805	16.61
23	HSG, age 17, MG IV	122	16.39
24	HSG, age 20, MG IV	318	16.04
25	HSG, age 21, MG IV	71	15.9
26	HSG, age 18, MG I and II	4,713	14.36
27	HSG, age 19, MG IV	860	14.19
28	HSG, age 19, MG III	3,110	13.57
29	HSG, age 19, MG I and II	3,821	12.59
30	HSG, age 20, MG III	1,432	12.15
31	NHS, age 22-plus, MG I and II	10	10.00
32	HSG, age 21, MG III	484	9.92
33	HSG, age 20, MG I and II	2,421	9.54
34	HSG, age 22-plus, MG III	486	8.23
35	HSG, age 21, MG I and II	1,106	7.69
36	HSG, age 22-plus, MG I and II	2,022	4.60

[1] NHS equals nonhigh school graduates; HSG equals high school graduates and above; age 17, 18, etc. equals age at entry; MG I–II, III, IV equals mental group.

TABLE X.—JULY-DECEMBER 1970 ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA: RANK ORDERING OF PERCENT DISCHARGED—MARINE CORPS ENLISTEES

Rank	Population [1]	Number of accessions	Percent discharged
1	NHS, age 22-plus, MG IV	120	58.33
2	NHS, age 21, MG IV	90	53.33
3	NHS, age 17, MG IV	1,330	48.80
4	NHS, age 19, MG IV	766	47.13
5	NHS, age 18, MG IV	1,404	46.01
6	NHS, age 20, MG IV	256	45.31
7	HSG, age 22-plus, MG IV	83	43.37
8	NHS, age 22-plus, MG III	183	40.44
9	NHS, age 21, MG III	123	39.84
10	NHS, age 17, MG III	3,511	37.82
11	NHS, age 22-plus, MG I and II	53	35.85
12	NHS, age 20, MG III	415	34.70
13	NHS, age 18, MG III	2,447	32.53
14	HSG, age 21, MG IV	68	32.35
15	NHS, age 19, MG III	1,235	32.06
16	HSG, age 20, MG IV	290	30.00
17	HSG, age 17, MG IV	116	29.31
18	NHS, age 17, MG I and II	873	29.10
19	HSG, age 19, MG IV	732	29.10
20	HSG, age 18, MG IV	774	25.71
21	NHS, age 20, MG I and II	133	25.56
22	NHS, age 21, MG I and II	36	25.00
23	NHS, age 19, MG I and II	318	22.01
24	NHS, age 18, MG I and II	795	20.00
25	HSG, age 20, MG III	794	18.39
26	HSG, age 21, MG III	271	18.08
27	HSG, age 17, MG III	456	17.54
28	HSG, age 22-plus, MG III	279	17.20
29	HSG, age 18, MG III	2,689	15.58
30	HSG, age 19, MG III	2,188	15.27
31	HSG, age 21, MG I and II	323	10.84
32	HSG, age 17, MG I and II	302	10.26
33	HSG, age 18, MG I and II	1,982	9.54
34	HSG, age 20, MG I and II	710	9.15
35	HSG, age 19, MG I and II	1,495	8.63
36	HSG, age 22-plus, MG I and II	409	8.31

[1] NHS equals nonhigh school graduates; HSG equals high school graduates and above; age 17, 18, etc. equals age at entry; MG I–II III IV equals mental group.

TABLE XI.—JULY-DECEMBER 1970 ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA: RANK ORDERING OF PERCENT DISCHARGED—AIR FORCE ENLISTEES

Rank	Population [1]	Number of accessions	Percent discharged
1	NHS, age 18, MG IV	677	34.27
2	NHS, age 19, MG IV	549	29.33
3	NHS, age 18, MG III	1,207	28.09
4	NHS, age 21, MG IV	43	27.91
5	NHS, age 22-plus, MG IV	53	26.42
6	NHS, age 21, MG III	64	25.00
7	NHS, age 21, MG I and II	21	23.81
8	NHS, age 22-plus, MG III	50	22.00
9	NHS, age 19, MG III	884	21.15
10	HSG, age 17, MG IV	181	20.44
11	NHS, age 20, MG IV	216	19.91
12	NHS, age 20, MG III	300	18.67
13	NHS, age 17, MG IV	22	18.18
14	NHS, age 19, MG I and II	288	18.06
15	NHS, age 18, MG I and II	532	18.05
16	HSG, age 21, MG IV	228	16.23
17	HSG, age 17, MG III	454	13.88
18	HSG, age 19, MG IV	2,349	13.50
19	HSG, age 18, MG IV	1,705	13.43
20	HSG, age 20, MG IV	895	12.85
21	HSG, age 22-plus, MG IV	206	12.62
22	NHS, age 20, MG I and II	96	12.50
23	HSG, age 17, MG I and II	416	11.78
24	NHS, age 17, MG III	49	10.20
25	HSG, age 18, MG III	4,212	9.66
26	NHS, age 17, MG I and II	47	8.51
27	HSG, age 19, MG III	4,755	8.41
28	HSG, age 20, MG III	1,826	8.00
29	HSG, age 18, MG I and II	3,978	7.21
30	NHS, age 22-plus, MG I and II	30	6.67
31	HSG, age 19, MG I and II	4,323	6.34
32	HSG, age 22-plus, MG III	902	5.54
33	HSG, age 21, MG III	707	5.52
34	HSG, age 20, MG I and II	2,351	5.02
35	HSG, age 21, MG I and II	1,281	3.75
36	HSG, age 22-plus, MG I and II	2,893	2.04

[1] NHS equals nonhigh school graduates; HSG equals high school graduates and above; age 17, 18, etc. equals age at entry; MG I–II, III, IV equals mental group.

TABLE XII.—JULY–DECEMBER 1970 ACCESSIONS DISCHARGED FOR FAILURE TO MEET MINIMUM BEHAVIOR OR PERFORMANCE CRITERIA: RANK ORDERING OF PERCENT DISCHARGED—DOD ENLISTEES

Rank	Population [1]	Number of accessions	Percent discharged
1	NHS, age 17, MG III	11,242	30.77
2	NHS, age 17, MG IV	6,411	28.97
3	NHS, age 21, MG IV	391	27.62
4	NHS, age 18, MG IV	5,780	27.46
5	NHS, age 22-plus, MG IV	599	26.88
6	NHS, age 17, MG I and II	3,307	26.34
7	NHS, age 19, MG IV	3,453	25.14
8	NHS, age 20, MG IV	1,187	23.84
9	NHS, age 18, MG III	9,722	23.74
10	NHS, age 21, MG III	506	22.92
11	HSG, age 17, MG V	659	21.24
12	NHS, age 21, MG I and II	161	20.50
13	NHS, age 19, MG III	5,439	19.73
14	NHS, age 22-plus, MG III	791	19.47
15	NHS, age 20, MG III	1,957	17.94
16	NHS, age 18, MG I and II	3,736	17.51
17	HSG, age 22-plus, MG IV	702	17.09
18	NHS, age 20, MG I and II	586	16.72
19	NHS, age 22-plus, MG I and II	252	16.67
20	NHS, age 19, MG I and II	1,727	16.16
21	HSG, age 17, MG III	2,101	15.47
22	HSG, age 18, MG IV	4,455	15.13
23	HSG, age 20, MG IV	2,181	14.03
24	HSG, age 21, MG IV	653	13.94
25	HSG, age 19, MG IV	5,628	13.75
26	HSG, age 17, MG I and II	1,901	13.52
27	HSG, age 18, MG III	14,732	11.70
28	HSG, age 19, MG III	14,991	9.63
29	HSG, age 18, MG I and II	14,385	9.38
30	HSG, age 20, MG III	6,474	9.01
31	HSG, age 19, MG I and II	14,276	7.44
32	HSG, age 21, MG III	2,493	7.38
33	HSG, age 22-plus, MG III	3,272	6.14
34	HSG, age 20, MG I and III	8,481	6.10
35	HSG, age 21, MG I and II	4,767	4.47
36	HSG, age 22-plus, MG I and II	10,162	2.63

[1] NHS equals nonhigh school graduates; HSG equals high school graduates and above; age 17, 18, etc. equals age at entry; MG I–II, III, IV equals mental group.

General TICE. We do have it along with high school completions.

Senator NUNN. I have always seen the non-high-school discipline problem but I have never seen it with regard to category IV discipline.

General TICE. For good reason because the mental categorization does not necessarily reflect trainability. I just commanded a division in Europe for the last 2 years. I also commanded in 1970 where we had 160 AWOL's in every brigade. If you had asked General Tice whether we had a better Army in 1979 than in 1970 I would say "Yes."

Senator NUNN. I would agree with that, but that is a very specious kind of comparison. That was the peak of our Vietnam problem, the peak of our drug problem, and the peak of our race problem. It was during a period of time when they were afraid to unload ammunition in Europe because they were afraid they would shoot each other. I would stipulate that for the record and agree.

General TICE. I think the difficulty that causes concern for everybody is whether there is correlation between mental categories and whether you have a good soldier, sailor, or marine based on these scores. Most of us will agree that high school completion shows "stick-to-itiveness." The ability to have a greater percentage remain through the first term of service is a very important ingredient in determining what the force structure ought to be.

Senator NUNN. In 1957, the Secretary of the Army did not have any problem whatsoever coming to that conclusion. Somebody in the Army at that time kept statistics on the correlation between jail population and category IV's. I don't know whether that is relevant

or not. I am just going by what was shown. I know there are a lot of variations. I know there are some category IV's that do excellent work in the Army. On the other hand, we have heard the commanders of NATO and Korea, both generals, testify that the trainability of their troops is going down, the retention level is decreasing, and they are having to retrain. At the same time, you are finding the basic qualification test failures going straight up.

There appears to be some correlation. I know you can't make these projections on an individual basis, and I am not trying to say that there is a direct relationship here, but you have to look at it statistically. You have the experience, General Tice. What do you look for? Where would you look statistically, when you look at the overall Army, if you were making these decisions; and you are?

General TICE. I think I would look to the high school graduates because we can show and experience has shown that the individual who completes high school also has the propensity to complete his first term of enlistment without difficulty. I would say the mental qualifications as they relate to aptitude and with respect to trainability is important in giving those tests.

Senator NUNN. Do you think categorization has some bearing there?

General TICE. Yes, it does, as portions of the aptitude tests are used, as you know, to determine the mental ability.

Senator NUNN. Do you agree with the action of the Army in letting the number of high school graduates decrease—in other words, sacrificing high school diplomas for numbers? What is your personal view on that subject?

General TICE. No; I do not agree with that.

Senator NUNN. Do you think the Army is heading in the wrong direction in that regard?

General TICE. Yes. I think part of it is supply and demand.

Senator NUNN. If you were in charge of the Army right now, would you allow this number of non-high-school graduates to come in or would you on the other hand—personally now, not officially—insist that they go for higher quality and better statistics on diplomas at the sacrifice of numbers, if necessary?

General TICE. The difficult question that the Chief of Staff and the Secretary of the Army have to face is the force structure and manning that force.

Senator NUNN. For which would you personally opt?

General TICE. I would personally opt for the quality indicators that would insure that you have a better capability of training them than I would necessarily on numbers.

Senator NUNN. Mr. Secretary, what is your answer in your personal view, to that question?

Mr. PIRIE. We tried to keep the high school graduate numbers up last year and had the worst recruiting year in history in total numbers. This year I think we are getting about as many, perhaps more, high school graduates than we had last year but as a percentage of our target it is of course lower. It is a tradeoff.

The non-high-school graduates who get through training make as good soldiers as high school graduates but it is more expensive because not as many get through training. You have to do the best you can with the market you see. I think at present we are probably taking

more nongraduates than is advisable. It is a judgment call. What you are worried about is the number of usable soldiers you get at the end of the process.

Senator NUNN. You are also worried about discipline problems.

Mr. PIRIE. Yes.

Senator NUNN. Trainability, retention, and the cost?

Mr. PIRIE. Those are part of it.

Senator NUNN. Let me shift to another subject.

Senator COHEN. I would like to make one observation. The same rationale—you are suggesting right now that we take quality over quantity—also applies to the other end of the manpower problem, retention. Admiral Hayward says:

> If it will take more pay to keep the people I have, I will take fewer ships, if necessary, quality over quantity. That is why we are trying to increase the pay to keep qualified people in and not look to bringing new people in at the other end with registration and draft. We have to have quality as well.

I think that logic applies here.

General TICE. No one will disagree with that.

Senator COHEN. You and I may agree. But apparently there is some disagreement in the administration.

General TICE. It is a tough choice. I think there are some options. The people who have to make that tough decision on the total defense capability have to bargain with some tradeoff, just like you and I do in our own personal lives. I think that we can both agree on what the tradeoff ought to be to insure you have the quality and also capability of putting a ship at sea.

Senator COHEN. You and I and the Joint Chiefs are in agreement.

Senator NUNN. Mr. Secretary, I will submit some questions for the record but I want to read one to you before we adjourn.

I understand General Post, Director of DLA, submitted a memoranda restating his firm decision of last year that the Southeast Contract Administration Service Region should be consolidated in Atlanta, closing the Philadelphia office. That decision was made by you on March 29, 1979. General Post argued in early May 1980, that the Atlanta site has cost savings of close to $15 million over an 8-year period. A decision on proceeding is needed by July 1 to meet the contract transfer schedule.

Could I get your personal view on this?

Mr. PIRIE. It is correct that General Post has submitted his assessment to me and I am now looking at it. It is also correct that the decision was made on March 29, 1979, to shift the CASR–2 to the Atlanta site. The General Accounting Office has raised some issues regarding the propriety of DLA's analysis. We have worked through those and when my staff has prepared recommendations for me I will forward it to Secretary Claytor.

Senator NUNN. When will that be?

Mr. PIRIE. We expect that will be within the month. I will be then sending forward an appropriate recommendation for Secretary Claytor to look at.

Senator NUNN. I will have some other questions for the record on that. Thank you very much. I apologize for all the votes, but they are unavoidable. I appreciate very much your patience.

Secretary Pirie and General Tice, thank you for being here.

Mr. PIRIE. Thank you, Senator. We recognize that votes are unavoidable.

[Questions submitted for the hearing record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN, ANSWERS SUPPLIED BY MR. ROBERT B. PIRIE, ASSISTANT SECRETARY OF DEFENSE (MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

BONUSES AND EDUCATIONAL INCENTIVES

Senator NUNN. Mr. Pirie, the Congressional Budget Office has proposed that in addition to the pay proposals included in the President's budget and to the Warner/Nunn amendment, $410 million in enlistment bonuses be added to the Fiscal Year 1981 budget, either in terms of cash bonuses or educational incentives and that $100 million in reenlistment bonuses be added in fiscal year 1982 and $300 million in future years for reenlistment bonuses.

ANSWER. We believe a military pay structure should be maintained that remains competitive with civilian alternatives irrespective of the recruiting and retention programs. To the extent that regular military compensation fulfills the accession and retention requirements of the enlisted personnel management system, it would not be necessary to use bonuses. The objective of enlisted personnel bonuses is to eliminate manpower gaps in critical military specialties. The amount of bonus offered can be raised or lowered as the manpower gap becomes larger or smaller. Our current enlistment and reenlistment bonus programs, along with the improvements which we are asking the Congress to authorize, are specifically designed to improve the manning posture in these critical skill areas. The substantial increases in bonus money in the fiscal year 1981 budget are considered sufficient to execute an effective bonus program. However, we are presently reviewing the bonus program in conjuction with the programs recommended by the Services for fiscal year 1982, including various educational incentive proposals. Should this review indicate a need for increased funding levels, we will request your support.

FAIR BENEFITS PACKAGE

Senator NUNN. The Congressional Budget Resolution includes reconciliation instructions to this Committee that assume $400 million can be saved in the fiscal year 1981 budget by changing the twice a year cost of living increase in military retired pay to a once a year increase. The Administration has submitted a legislative proposal to provide for a once a year increase. In addition, the Congressional Budget Office has suggested that military retired pay be based on average basic pay over the three years when pay was higher, instead of basic pay at time of retirement. If phased in over a three-year period, this proposal would save $10 million in Fiscal Year 1981 and $360 million over 5 years. What is your view on this proposal?

ANSWER. The Administration has proposed a simplified method for the calculation of retired pay increases. It preserves the direct correlation with percentage changes in the costs of living as measured by the Consumer Price Index. The percentage change would be measured over a December to December time frame rather than the December to June and June to December periods as the present law authorizes. The annual adjustment would become effective on March 1 of each year. By such a simplified mechanism, retired and retainer pay continues to be protected from the economic pressures of inflation. Additionally, the purchase power of initial retired and retainer pay is preserved. We believe that this simplified procedure will continue to meet the needs of our retired members and will assist the Administration in reducing out-year costs by reaffirming the commitment to strict fiscal discipline.

The averaging technique to compute initial retired pay is a major revision to the military retirement system. As such, it would be more appropriate to consider such a recommendation in association with the Administration's proposal on military retirement reform. We do not believe it would be appropriate to consider piece-meal changes to basic entitlement for initial retired pay. Although the Administration's proposal to revise nondisability retirement contains a two-year averaging feature, that revision is closely integrated with the other features of the proposal. We do not believe that the item should be considered out of context.

Senator NUNN. The Congressional Budget Office has also suggested an alternative to the Administration's retirement reform proposal which would simply

allow a deferment annuity at age 60 for military personnel who complete 10 years but less than 19 years of service. What is your view of this proposal?

ANSWER. The Administration's proposal to revise the military retirement system would provide a two-tiered system of deferred compensation and retirement benefits. It includes an entitlement to an immediate annuity from the date of retirement after 20 or more years of service, until the member reached age 60. At that point, this first-tier annuity is replaced by a second-tier old age annuity. A second major feature addresses those members who serve 10 to 20 years of service. Under this conditon, a member begins to build tier-two old age annuity benefits at the 10th year of service for entitlement to an annuity starting at age 60. Such a feature provides portability and equity for military members.

The Administration's proposal has been designed to insure that benefits in the retirement system are realized to further personnel management retention objectives for members. The subject is complex and must be dealt with in a comprehensive manner. We believe that the proposal sponsored by the Administration best serves the objective of meeting management requirements and the needs of men and women serving in the Armed Forces.

PEACETIME REGISTRATION

Senator NUNN. In its study on "Cost of Manning the Active Duty Military" released last Saturday, the Congressional Budget Office states that other options besides peacetime registration could meet the needs of the Defense Department. According to CBO, "For example, rather than conducting a peacetime registration, the Administration could formulate a detailed mobilization plan, including preparations for necessary computer support, that could enable it to conduct rapid registration during mobilization. The system could still use the facilities of the postal service. CBO has estimated that such a registration plan would bring in the first draftees after 25 days, about 2 weeks later than under the Administration's proposal, but could still meet the needs of the Defense Department for draftees in 60 days and 5 months."

Mr. Pirie, do you agree with this assessment that a detailed post-mobilization registration plan would meet the needs of the Department of Defense?

ANSWER. I do not agree with the CBO assessment. No matter how well we might plan in peacetime, there is a real risk that mobilization contingency plans will not work as envisioned. The work recently accomplished by the Selective Service System in preparing for peacetime registration has clearly highlighted that fact. Previous Selective Service assumptions regarding the timing of a post-mobilization registration were found to be inaccurate. Moreover, it is impossible to accurately judge the impact of transportation requirements, possible fuel shortages, and weather conditions as well as other external constraints that could significantly delay a post-mobilization registration.

Not even the best standby registration plan can provide the assured capability of an up and running system. Registration in peace yields gains in certainty, in efficiency, in freeing our mobilization efforts for other activities and even for the registrants themselves, in the order, equanimity and equity with which the process is conducted. In my view, in the current international situation, such gains are necessary.

In addition, we now believe we can accept inductees sooner than M+30 days. During the past nine months, the Army has conducted an extensive review of its mobilization training capacity. Based on the prelimiary results of this study, we now believe that the Army could accept at least 80,000 new trainees during the first thirty days after a decision to mobilize. This is more than we had previously estimated. Of these 80,000 new trainees, at least 20,000 could be inductees. We are now reviewing the Army's estimates and will prepare a revised delivery schedule for inductees later this year. However, we now know that we can accept at least 20,000 inductees by M+30. It is my judgment that a post-mobilization registration plan would not be able to provide inductees within this time frame.

QUESTIONS SUBMITTED BY SENATOR ROGER W. JEPSEN, ANSWERS SUPPLIED BY MR. ROBERT B. PIRIE, ASSISTANT SECRETARY OF DEFENSE (MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

FAIR BENEFITS PACKAGE

Senator JEPSEN. In a Defense Public Affairs press release of May 26, 1980, the statement was made that the Nunn-Warner proposed costs would range from

$435M to $700M in fiscal year 1981. Can you explain the reason for this range in benefit levels?

ANSWER. There are certain provisions of Nunn-Warner that are discretionary; that is, the Secretary of Defense has latitude in determining the level of benefit. The range in costs of Nunn-Warner reflects the Secretary's latitude.

Senator JEPSEN. I understand that you are seeking revisions to Nunn-Warner that will allow the Department of Defense greater latitude in the method by which you will determine the size of the station housing allowance. What are these revisions, and how do you intend to determine the size of the station housing allowance? Do you have these two adjustments with you?

ANSWER. The revisions would: (1) add language making it clear that personnel assigned overseas whose families remain in the United States would be entitled to the station housing allowance; and (2) delete reference to 115 percent of BAQ. We would determine the size of the allowance by surveying for the housing expenses of military personnel, establishing a rank ordering of high to low expense areas by geographical location, and subject to the availability of funding, identifying the high cost locations where the allowance should be paid. We are still working on our proposed language change and it will be sent to the Congress shortly.

Senator JEPSEN. It is the clear intent of this committee and the Senate that the station housing allowance for the continental United States be an entitlement for all personnel who experience average costs in excess of 15 percent of their basic allowance for quarters under the provisions we wrote into section 408. This includes personnel ordered overseas whose families must remain in the continental United States. If we in the Senate, through joint conference, resolve your concern over this possible omission, won't this essentially nullify your need to make revisions to the station housing allowance language?

ANSWER. No, because we consider the 115 percent of BAQ language to be arbitrary and too restrictive.

Senator JEPSEN. The services give every indication of strong and unified support for Nunn-Warner as written, while you propose a change to the wording. Why do you believe the Services feel so strongly on this issue?

ANSWER. I believe the services feel that any attempt to change the wording of Nunn-Warner might jeopardize the whole package. I, too, strongly support the Nunn-Warner amendment but believe the wording changes we have recommended are necessary.

Senator JEPSEN. I understand military travel reimbursement allowances have not been revised since 1976. All of us appreciate the escalating costs of food, lodging, and gasoline since that time, especially the severe recent increases in gasoline prices. Now that Nunn-Warner will lift the statutory ceiling of ten cents per mile on PCS travel reimbursement, what are your immediate and long-term plans for more adequately meeting the travel cost needs of military personnel?

ANSWER. The Department's Pay Adequacy Study of 1979 estimated that servicemembers were absorbing approximately $1 billion per year in travel costs that were not reimbursed. We will be utilizing the findings reported by this study as a guide for both our immediate and long-term planning for more adequately meeting the travel costs of military personnel. To better analyze a permanent change of station (PCS), the Study Group divided it into three phases: pre-move, move, and post move. Comparisons were made between entitlements that accrue to government civilians and those accruing to servicemembers. Data from private concerns were evaluated in our efforts to accurately cost a move for average servicemembers. The most significant recommendations for immediate implementation were as follows:

Reaffirm support for DOD-initiated legislation that would remove the ceilings for members and dependent mileage allowance ($.10 and $.07 respectively).

Program mileage allowance reimbursement at the rate of $.185 per mile.

Increase per diem reimbursement from $35 to $50 (from $50 to $75 for high cost areas).

Authorize a monetary allowance in lieu of transportation (MALT) plus a per diem as an alternative to mileage allowance. (MALT rate not yet determined, but estimated at $.155 per mile).

Our long term plans are also based mainly on findings of the Study Group. Two of the more significant initiatives that will be proposed are:

Authorization of a Temporary Lodging Expense (TLE) to reimburse for lodging and subsistence expenses incurred during a PCS.

Authorization of an auto operating allowance that will reimburse real costs of operating a privately owned vehicle during a PCS.

Senator JEPSEN. In an OSD(PA) press release of May 26, 1980, improved temporary duty reimbursements were cited. The Nunn-Warner amendment also provides for elimination of the ceiling on the rates used to reimburse temporary duty mileage. I note civil service personnel and our own staff are reimbursed 20 cents per mile when authorized to use their private automobiles. Do you plan to change the reimbursement rate for military personnel when Nunn-Warner is signed and what rate would you put in effect?

ANSWER. Assuming that Nunn-Warner is enacted, our intentions are to program the mileage allowance at the rate of $.185 per mile.

[Whereupon, at 6 p.m. the hearing adjourned, subject to the call of the Chair.]

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